



THE INDEPENDENT

No 3,304

FRIDAY 28 MAY 1997

WEATHER: Cloudy, but few showers

(R45p) 40p



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**HOW FASHION
GAVE CLINTON
THE NEEDLE**



IN THE TABLOID:
**MEN AND SEX:
WILL IT BE THE
DEATH OF THEM?**



SPORT PAGE 30
**FIRST
BLOOD TO
ENGLAND**

If New Labour is so moral, why sell arms to an Asian dictator?

Fran Abrams
Political Correspondent

The Government's ethical foreign policy will not prevent ongoing sales of armoured vehicles and water cannon to Indonesia, *The Independent* has learnt.

Yet yesterday in a Parliamentary written answer, Robin Cook, the Foreign Secretary, said: "We have made a firm commitment not to permit the sale of arms to regimes that might use them for internal repression or international aggression."

Sources within his department confirmed that export licences issued last December would not be revoked. One of those licences allowed the export of seven armoured water cannon identical to ones used to put down protests in Indonesia, and 17 armoured vehicles.

There are also strong doubts about whether ministers will block

ogised for using excessive force.

Campaigners against the arms trade have repeatedly claimed that Hawk jets have been used to attack civilians in occupied East Timor - reports which have been strongly denied. Officials have hinted that the manufacturer, British Aerospace, might be well advised not to apply for an export licence for the jets until ministers have decided what line to take on the sale.

It is believed that while Foreign Office ministers might hope to prevent new exports of Hawks to Indonesia, the Department of Trade and Industry could argue that valuable jobs in the defence industry would be lost if the licence was refused. The order is worth £300m.

Another Cabinet minister, David Clark, Chancellor of the Duchy of Lancaster, has supported the export of Hawk jets to Indonesia. In November 1992, when he was Labour's defence spokesman, he told the *New Statesman*: "I'd like a world where there was no war and no weapons. But I find it difficult to take a purely moral or moralistic stance."

The Indonesian Minister of Defence and Security, Edi Sudrajat, said this week that he did not believe the Labour government would stop the country from buying the extra jets it wants. "The political change in Britain will not affect our negotiations for an additional purchase," he said at an official handover of eight Hawk-100 trainers and 16 Hawk-200 all-weather attack fighters exported from Britain before the election.

The United States, historically the largest supplier of military equipment to Indonesia, has recently stopped sales of fighter planes and armoured personnel carriers to the country, though it is still allowing the export of other weapons.

The Liberal Democrats' defence spokesman, Menzies Campbell, said he believed strongly that no more arms should be sold to Indonesia and that existing licences should be revoked. "There was no justification for these export licences being granted in the first instance and a government which puts human rights at the centre of its foreign policy should hardly need to think for a moment before cancelling these licences," he said.

Harriet Lamb, head of campaigns for the World Development Movement, welcomed Mr Cook's statement, but said that he should now back it with action: "The news that no export licences will be revoked is very disappointing and we would urge the government to think again."

Mike Docherty, head of public affairs for GKN Defence, confirmed that the consignment of seven 'Tactica' water cannon, 17 armoured vehicles and 286 Hornet modified Land-Rovers had not all left the country. "Our policy is that we abide by the rules that the Government dictates," he said.

Profit and conscience, 16 and 17

What Cook said

"We have made a firm commitment not to permit the sale of arms to regimes that might use them for repression or aggression."

What is happening

Sources say he will not block the sale of armoured vehicles to a regime which has one of the world's worst human rights records.

the planned sale of 16 new Hawk fighter jets to the Suharto regime, which has one of the world's worst human rights records.

A Foreign Office source said the Government feared having to pay compensation to manufacturers if it pulled the plug on the deal with GKN Defence, a Hampshire-based arms manufacturer. "We are not going to pay for the previous administration's mistakes," he said. With tension building in the run-up to Indonesia's general election, British 'Tactica' armoured personnel carriers and water cannons were used this week to break up a march in Jakarta.

Twice last year water cannon were used in Indonesia to spray a substance believed to be CS gas or dye over protesters. In a separate incident, three students died when British-made armoured personnel carriers broke up a demonstration. The former Tory defence minister, Jeremy Hanley, complained to the Indonesian government and it apol-



Close encounter: A woman in Cathedral Close, Salisbury, eyes Running Man, a bronze statue by the late sculptor Elisabeth Frink, one of a collection of her works in the Salisbury Festival. Before Frink died in 1983, one of her final requests was that an open-air retrospective exhibition of her work be staged in a public area after her death. Photograph: John Voss

Father wins appeal to halt abortion

Patricia Wynn Davies
Legal Affairs Editor

The legal tussle over a father's attempt to stop his wife having an abortion will go back to court today after a day of high drama during which a court re-instated a ban on Lynn Kelly aborting the foetus.

There was added tension in the already highly-charged case yesterday morning when Anne Smith QC, for Mrs Kelly, stunned Edinburgh High Court by saying that a termination might be being carried out at an unknown hospital at the same time as the hearing. But in the afternoon, Wendy Sheehan, solicitor for Mrs Kelly's husband, James, said it had not taken place. She said outside the

court she could not reveal the reasons because it would break her client's confidentiality.

Yesterday's ruling by the Lord Justice Clerk, Lord Cullen, and Lords Sutherland and Wylie, prevents doctors from carrying out the procedure before a full appeal by Mr Kelly is heard today.

Mrs Kelly, who is 12 weeks pregnant, has been walking a legal tightrope since Mr Kelly learned of the planned termination. The ban was first granted on 15 May, a day before she was scheduled to have the abortion, lifted by the same judge on Wednesday then reinstated by the three appeal judges yesterday.

Mr Kelly is trying to make legal history by persuading the court to

stop the abortion and give him custody of the unborn baby and the couple's 18-month-old daughter Hazel. He is believed to be the first father in Britain to be granted a temporary court order delaying a termination.

The couple, from Inverkeithing, Fife, married in 1995 but separated a few weeks ago, each claiming the other was violent and neglected their daughter. Both sides have given extensive and opposing views of their situation to the tabloid press.

The legal wrangle has provoked extremes of opinion on both sides of the debates on abortion and fathers' rights. Lord Eassie's ruling on Wednesday confirmed what most legal commentators understood to be the law, at least south of the border

where the House of Lords has resolved the issue in favour of women - that the foetus has no legal rights of its own and that neither fathers nor courts have the power to override the opinions of doctors under the abortion legislation.

Mrs Kelly insists that no one can force her to have a child. But anti-abortion groups condemned Wednesday's decision as a "travesty of justice" and a denial of the un-

born child's "right" to life. An interpretation in favour of fathers would be tantamount to treating pregnant women as mere receptacles for child-bearing and could open the way for litigation questioning the opinions of doctors.

Jane Roe, of the Abortion Law Reform Association, said: "The injunction should never have been granted in the first place. To delay a woman like this is intolerable."

Blair bags a press baron as Rothermere switches

Paul McCann
Media Correspondent

Lord Rothermere, the Conservative press baron who owns the *Daily Mail*, the *Mail on Sunday* and the *London Evening Standard*, shocked senior executives at the newspapers yesterday by taking a seat on the Labour Party's benches in the House of Lords.

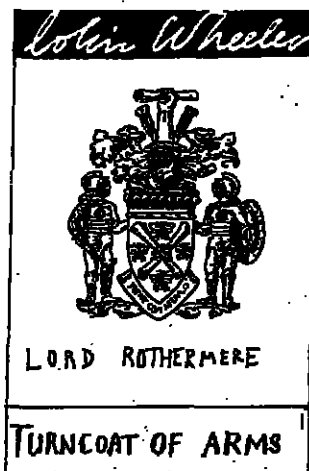
The hereditary peer said yesterday that he was prompted to make the move by his admiration for Tony Blair, adding: "They [Labour] are carrying out so many policies I believe in."

He announced his decision to stunned silence from colleagues at a party held on Wednesday night to mark the 30th anniversary at the *Mail* of its veteran columnist Lynda Lee Potter.

Lord Rothermere's cousin, Vivian Harnsworth, said yesterday that the hereditary peer had been an "illegitimate Conservative" and had never before taken his seat, despite being listed as a Conservative Peer in the Parliamentary directory, Dodd's.

So far he has not taken the Labour Party whip and his cousin could not confirm if he would be voting with the Labour Party on every issue.

If Lord Rothermere did vote with Labour he could find himself voting



for his own abolition. He is a hereditary peer and Labour has made a manifesto commitment to remove hereditary peers' voting rights.

"His views have accumulated over the last few years" said Vivian Harnsworth, "and he has taken a positive view on so many things that the Government has done so quickly."

Lord Rothermere's move is likely to have serious implications for the editor of the *Daily Mail*, Paul Dacre, who backed the Conservatives in the election. Acknowledging that his decision would raise speculation

about Mr Dacre's future, Lord Rothermere said in a statement: "Paul Dacre is a great editor and I have very good relationships with him but we do not always share exactly the same views on politics."

"Basically Rothermere thinks Blair is the man," said a *Mail* source. "There is definitely a feeling upstairs that Dacre screwed up and should have backed Blair."

The public announcement of Lord Rothermere's defection was made in a diary item in yesterday's *London Evening Standard*. A source said the story "dropped mysteriously into the paper from upstairs". The *Evening Standard* supported Labour at the election.

Tony Blair began wooing the *Mail* papers two years ago when he had a one-to-one lunch with Lord Rothermere. In the end the *Daily Mail* put the Union Jack on its front page the day before the election and told its readers to vote Conservative for the sake of British independence from Europe.



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Eurotunnel go-ahead
Eurotunnel has been given the go-ahead to resume freight services through the Channel Tunnel after last November's fire, the company said last night.

Takeover challenge
The Government has referred the acquisitions of two rail franchises by National Express to the Monopolies and Mergers Commission. Page 22

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A smack in the face for the gurus of heroin chic

Clinton accuses the fashion industry of glorifying addiction

Tamsin Blanchard

President Bill Clinton yesterday fired a broadside at the fashion industry for using "heroin chic" to sell clothes. "The glorification of heroin is not creative, it is destructive," he said.

But despite the intervention of the world's most powerful leader, the fashion industry has become inured to endless images of skinny girls with pale skin and limp arms; boys with deep-set eyes and vacant stares; and models lying smacked out on some grubby floor.

The President's broadside that "fashion photos in the last few years have made heroin addiction seem glamorous and sexy and cool" was the culmination of a campaign which followed the death of a 20-year-old fashion photographer, Davide Sorrenti, of a heroin overdose in New York three months ago.

Sorrenti's mother, Francesca, herself a well-respected fashion photographer, has taken up a crusade against drug culture and vulnerable under-age models. In New York, heroin is the fashionable drug. Davide was not an isolated addict: friends, models and other photographers did it with him. Francesca Sorrenti condemns the industry for ignoring the drug problem prevalent within it. Instead of questioning a model who tries to cover up her needle marks, she says, fashion editors frequently turn a blind eye.

In London, style magazines such as *Dazed & Confused*, *The Face* and *i-D* have all used pictures of wasted, pale and skinny. According to Paul Hunwick, deputy editor of *i-D*, "heroin chic" does not exist: it is just another media soundbite. "There was a period in fashion pho-

tography when models were thinner," he said. "But that whole look happened over a year ago. It was a reaction to the vulgarity of the Eighties. As a magazine, we have never promoted heroin. We want young, healthy, happy, stylish people on our pages."

At *Dazed & Confused*, the editor, Jefferson Hack, said "fashion has a responsibility to deal with issues. It would be more destructive if fashion featured only happy, smiley people. Fashion has been dealing with real life issues since the Eighties and heroin has infiltrated every part of society. To ignore it is damaging." He said it was unfair to point the finger at the fashion industry for what is an age-old problem. Photographers and stylists are merely soaking up the influences around them.

Photographers call this type of work art. They have been inspired by the images of Nan Goldin, the American photographer whose real-life documentary reportage in the Eighties of junkies and sick and dying friends has become the height of fashion. Her pictures of James King, the girlfriend of Davide Sorrenti, looking pale and hollow-eyed, were used by the Matsuda fashion company last year.

The gritty photographs of Larry Clark, the director who made the film, *Kids*, have also been a major influence, not least on the advertising campaigns of Calvin Klein.

The British photographer Corinne Day has been attacked for pushing heroin chic. She was the photographer who first shot Kate Moss but she is outraged that her pictures should be labelled "heroin chic". "The idea

that any of my images could be mistaken for coming from or condoning the use of heroin is a contradiction and hypocrisy," she said yesterday. "My style is about authenticity, naturally documented and developed through an artistic eye. Never has heroin played a part in my ideas. The shutting eyelids are

blinks and we thought it would be funny to show something so natural."

Whether they are using drugs is another matter. One booker at a leading London model agency has watched heroin come and go as the fashionable drug since the mid-Eighties. "It happens about every 10

years," he said. "Someone inevitably dies and it's not cool anymore because everyone gets freaked out. In the past year, it's become the popular drug again."

There is a certain glamour attached with the "tragic beauty" associated with heroin addiction. "The idea that junkies have

glowing skin is rubbish," said the booker. He claimed it was all part of the mythology of the Sixties and added that his message was clear: "We don't tolerate drug-addict models. It's not a moral thing; with bookings worth £30,000 to £200,000 a day, you simply can't afford to take risks."



Wasted opportunity: A model on the catwalk at People Corporation's London show in February. Photograph: Ben Elwes



James King photographed by Nan Goldin in Matsuda's recent ad. Photograph courtesy of Scala

One smoke can cost as little as £5 pocket money

Michael Streeter

"It is," said the 14-year-old girl, "the coolest, chic-est thing you can do."

The "it" was heroin, and the girl, from Aberdeen, was describing how she and her friends smoke the drug to relax before arriving home after a long night partying on ecstasy.

David Macaulay, campaign director of Scotland Against Drugs, who spoke to the teenager recently, is worried at what he calls a "dramatic" growth in heroin use among the young. He blames, in part, the "glamorizing" - deliberate or otherwise - of the drug in the media.

"Take *Trainspotting*," he says. "Most adults will take the view that the book and film are very anti-drugs. However, kids are not so sure: there is a lot of justification for it [drug-taking]. Unfortunately it does glamorize drugs: the heroes are linked to the drugs scene."

Mr Macaulay says he was also unhappy at the haste with which the BBC put novelist Will Self on BBC2's *Have I Got News For You* after he snorted heroin on John Major's plane in the election campaign. "He took the heroin and was on the television that Friday night. Will Self has been glamorized by the BBC."

Although figures are scarce, there is general agreement among experts that use of the drug among young people - though still very rare - is growing. One of the core reasons is that, since an earlier spurt in use a decade ago, heroin has lost its grim and squalid Seventies "losers" tag. The drug, often called "brown", can be smoked, or snorted rather than injected, and one smoke can cost as little

as £5 - pocket money, as one expert said.

Some believe the heroin-related death of the rock star Kurt Cobain and the scenes of John Travolta injecting the drug in *Pulp Fiction* have also lent a glamorous image to the drug. Harry Shapiro, of the Institute for the Study of Drug Dependence, is, however, cautious about the influence of supposed glamour. "I'm not convinced that this view of the drug has spread beyond a narrow corner of south-east England."

He believes there are more practical reasons, such as price and method: "Because it can be smoked a lot of the old taboos about it have broken down."

Mike Goodwin, director of the drugs and legal advice agency Release, said he was "concerned" at the growing number of young people on heroin. "It is being used recreationally - at least initially."

Mr Goodwin is dubious that the so-called "heroin look" in some fashion pictures has either come just from drug culture or has encouraged it. The causes are more complex, and deeper, involving a variety of social factors which include price, availability and peer pressure.

More than 10 years ago a campaign tried to portray the drug as the no-hopers' substance, with the slogan "Heroin screws you up". Some evidence suggested that a ravaged youth in one of the posters became an anti-hero. But more seriously it was felt the campaign may have simply diverted young people to other drugs.

Some believe the current growth is due to greater supply. Customs report a steadily increasing number of seizures - a sure sign of more imports.

Tesco takes on Levi's in battle for bottom of the market

Kim Sengupta

It could have been a scene from a stylised Levi's ad. High noon, and a group of tough, cold-eyed strangers arrive at a dusty town in the American West. They are after just one thing, and it is there for the taking. They round up their booty and leave as quietly as they came.

Six thousand miles away the result of that raid is that British customers will today be able to buy their

501 stonewash jeans at their branch of Tesco for £30, instead of having to fork out up to £55. And the American executives of Levi Strauss management are left gnashing their teeth.

This was the latest skirmish in the denim war between Levi Strauss and the high street supermarket chain. The first salvo was fired in March when Tesco began to sell the fashion jeans at a price significantly undercutting the manufacturer's official outlet.

Levi Strauss went on the counter-offensive stressing that Tesco were selling the clothing without its permission, and then banning the store from receiving its supplies.

This was nothing to do with the fact that the Official Levi Store in central London was charging £25 more for the garments, said the company.

Rather it disapproved of customers buying their jeans in between picking up baked beans and loo rolls. It gave the wrong image to what is

meant to be the must fashion accessory for cool dudes.

Tesco decided in response to carry out guerrilla war in the enemy's own backyard. It sent off teams to buy directly from retailers in the United States, concentrating mainly on small towns, where the jeans could be had for as little as £18. More than 32,000 pairs were bought and shipped over.

The new supplies, which come in indigo, black and stonewash, went on sale yesterday at 128 stores

across the country at £30 each.

Simon Uwins, Tesco's commercial director, said: "We have approached Levi's again to see if they would reconsider their decision and supply us direct with stock. Again they have refused to deal with Tesco. So this time we have bought a quantity of 501s at retail price in the US."

"If we can buy them in the States for about £18, why are consumers paying up to £55 in the UK? I think it goes even further to show the consumer how expensive Levi's are in

this country." In March Tesco had bought 45,000 pairs of 501s from a Levi factory in Mexico for their first cut-price sale. Within days the whole consignment had been snapped up. But after that Levi Strauss blocked further supplies.

Levi Strauss had spent millions on the 501 brand, reviving pop songs and featuring the Russian model Kristina Semenovskaia in a television advertisement campaign. But despite that, the market share of its

jeans had fallen by 5 per cent as demand had grown for other brands. The company denied it tried to control prices. A spokesman said it was a matter of individual stockists.

However, there are strict conditions the stockists must meet. These are that staff should be extensively trained in the subject of "jeanswear", that there should be a clearly delineated Levi's area and a range of styles at different prices. Tesco has not met them.

Portillo eyes up Bosnia role

Christopher Bellamy and David Osborne

Michael Portillo, the former Defence Secretary and Conservative right-winger who lost his seat in the election, may not quite have vanished yet.

He has put his name forward to succeed Carl Bildt as the international community's "High Representative" coordinating the civilian aspects of peace-building in Bosnia.

Not all of those on the selection board are likely to be Portillo enthusiasts. The British representative on the steering board is Robin Cook, the Foreign Secretary.

Mr Portillo is understood to have "made himself available" after he was approached by Mr Bildt. Mr Bildt was apparently impressed with what he saw Mr Portillo while in office. The High Representative is not a UN appointee, but has an ill-defined role in overseeing the

reconstruction of Bosnia and reconciliation of the former warring factions. He or she has no formal authority over the Nato-led military force, S-For, but in practice works closely with it as well as with the UN and local parties.

Many regard the job as a poisoned chalice. "Some of the best candidates, the ones who have a knowledge of the region, know better than to accept this job," said one diplomat in Sarajevo, who did not wish to be named.

The top contender for the post is the Spanish ambassador to the UN Carlos Westendorp. Mohamed Sacirbey, the current Bosnian ambassador to the UN, spoke favourably of him.

The only other candidates are Mr Portillo and an Italian senator, Giacomo Migone. The new High Representative is expected to be named next week - and Mr Portillo is still in with a chance.

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The African tree that could hold a cure for cancer

Jeremy Laurence
Health Editor

Scientists are going back to nature in their search for drugs against cancer and have found an African shrub which could offer a new weapon against the disease.

Tests on the drug, derived from the bark of the African bush willow, have shown that it attacks the blood supply to the cancer instead of the cancer cells themselves. A single dose can kill up to 95 per cent of solid tumour cells by starving them of their blood supply.

Dr Dai Chaplin, who led the research at the Cancer Research Campaign's Gray laboratories at Mount Vernon Hospital, Middlesex, said the drug's new type of action could have wide application. "As more than 90 per cent of cancers are solid tumours or lumps, we are very excited about its potential. It opens the door for the development of other drugs working on the same principle. Cancer is a war and we are opening up a new battlefield."

Announcing the findings at a press conference to mark National Cancer Day today, Professor Gordon McVie, director of the campaign, said cancer research had come full circle with

a renewed interest in natural compounds after the fashionable swing away from them in the Seventies in favour of designer molecules dreamed up in the laboratory.

Professor Alan McGown of the Paterson Institute at the Christie hospital in Manchester, which is testing the anti-cancer properties of a range of natural compounds, said: "These are big complicated molecules - too big for a chemist to sit down and say 'I am going to design that.' They would never have been discovered if we had not looked at nature. The world's greatest chemist of all time is nature."

Dr Chaplin said that most cancer treatments were targeted at killing the cancer cells. One centimetre of tumour can contain hundreds of millions of cells, making it a slow process requiring high doses of toxic drugs. The new drug, combretastatin, destroys endothelial cells lining the blood vessels which supply the tumour. In laboratory studies, Dr Chaplin found that damaging one of these endothelial cells killed more than 1,000 tumour cells. The findings, published in the US journal, *Cancer Research*, showed only small doses were required reducing side-effects.

Dr Chaplin said: "The re-

search could be dramatic. In some tumours it shuts down the blood supply in two hours. We may have a new class of drugs here. It is a great start."

Human trials could begin within 18 months. Dr Chaplin admitted there were many tests of safety and efficacy to be done before it could be used on patients. The drug acts selectively, for reasons that are not understood, only targeting blood vessels in the tumour leaving others elsewhere in the body unaffected. It is not known, however, whether it will hinder the growth of blood vessels in other parts of the body, for example during wound healing or in the reproductive tract during ovulation and pregnancy.

Dr Chaplin also said that the drug killed the centre of the tumour but left the rim unaffected, and would therefore need to be used in conjunction with conventional radiotherapy or chemotherapy.

Combretastatin was discovered 10 years ago by Professor Bob Pettit of the Arizona State University in the US. Professor Pettit, who sits on the Cancer Research Campaign's drug committee, mentioned it to Dr Chaplin who decided to investigate its anti-cancer properties.

Leading article, page 19



War on cancer: Dr Chaplin showing the tree bark from which the new drug is derived

dress to kill
national cancer day
23rd may



Photograph: David Rose

... and other
natural
remedies

... and other natural remedies

... and other natural remedies

... and other natural remedies

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... and other natural remedies

NHS savings go to tumour treatment

Frank Dobson, Secretary of State for Health, announced that he was taking an axe to the "dense forests of paperwork" that have grown up in the National Health Service yesterday - but his axe turned out to be blunter than it appeared, writes Jeremy Laurence.

Savings of £100m would be achieved in the first year, in line with Labour's manifesto pledge, by deferring the eighth wave of GP fundholders and setting tough new management cost targets for NHS trusts and health authorities, he said. An immediate allocation of £10 m

would go to cut waiting times for breast cancer treatment.

Mr Dobson said delaying further entrants to fundholding, affecting 1,000 GPs, would save £20m with the rest to come from cuts in bureaucracy. Target reductions would be agreed by the end of June.

However, figures show that £46m of management savings were already planned by the last government and included in this year's budget - leaving the NHS executive to find a further £34m by next April. Total savings achieved by Labour's measures will therefore yield £54m, just over half the £100m pledged.

Mr Dobson, giving his first formal press conference in the

post, said he had found the state of the service to be worse than expected, with waiting lists 100,000 higher than a year ago and many hospitals carrying deficits estimated by the British Medical Association at £750m.

"Taxpayers' money must be used to treat patients, not to sustain the dense forests of paperwork which have grown as a result of the NHS internal market," he said. Some staff could lose their jobs and vacancies would be left unfilled.

He was surprisingly generous towards GP fundholding, saying "Maybe there are aspects of fundholding that are valuable and can be continued into the new system."

Vouchering for nurseries

Judith Judd
Education Editor

All four-year-olds whose parents wish it should have free nursery places by September next year, David Blunkett, the Secretary of State for Education promised yesterday.

Mr Blunkett announced that the nursery voucher scheme would end this September but that the Government would continue to subsidise some private nursery places.

All existing places for four-year-olds will receive funding whether they are state, voluntary or private. The voucher scheme, introduced nationally last month, gives all parents of

four-year-olds a voucher worth £1,100 a year to be spent in the nursery of their choice.

From next April local authorities will be responsible for new public/private partnerships which will provide places for under-fives. No authority will receive government money unless it includes private nurseries and playgroups in its plans. All will have to set targets to include three-year-olds.

Until next April, there will be interim arrangements. Parents with four-year-olds in areas where the authority can produce a plan by this September will be entitled to a free place in any of the nurseries in the plan. Those in areas where there is no

authority plan will be eligible for certificates from central government for two terms, worth the same amount that they would have received under the voucher scheme.

If they want to use the certificate at an expensive private nursery they will have to pay the extra themselves.

Mr Blunkett said: "We are committed to providing high quality nursery places for all four-year-olds where parents want one. We will achieve this goal by sensible joint planning at local level not the bureaucratic nightmare of a wasteful and divisive nursery voucher scheme. There will be no more destructive competition."

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Woman tells of love for fisherman with Aids

Ian Burrell
Larnaca

A Cypriot fisherman was taken by police from his hospital bed yesterday and brought face to face in a courtroom with the former British girlfriend who has accused him of deliberately infecting her with HIV.

Hours before he was due to stand trial, Pavlos Georgiou, who is HIV positive, reported to an Aids clinic on the island complaining of stomach pains and high temperature.

But the judge at Larnaca district court issued a warrant for his arrest. He was taken

from the hospital and made to listen as Janette Pink, who is dying from the effects of Aids, alleged that he had knowingly given her the virus.

When he finally arrived at court, an apparently healthy Mr Georgiou, 39, grinned and gave thumbs up signs to onlookers.

His mood changed when he saw his former lover. Sitting in the dock he stared at the floor as Ms Pink, 45, barely 10 feet away, told the court in intimate detail about their relationship.

It was a love affair which began in 1993, she said, when her marriage in England broke up and she decided to move per-

manently to a holiday home on Cyprus.

The former wife of a City accountant, she was introduced to Mr Georgiou through mutual friends in a bar. They began socialising and months later started a relationship.

"It didn't even occur to me to use a condom," she told the court. "We had both been in marriages of 20 years, with children. We were not young people."

She first suspected her lover might have HIV when her attention was drawn to a newspaper article which claimed that he and his wife had the virus.

Mr Georgiou denied the newspaper story was true and when Ms Pink had an HIV test it proved negative. She finally discovered the truth six months later, in September 1994, when she found out that Mr Georgiou's wife, Martha, had died in London from Aids.

But when she confronted Mr Georgiou he was unsympathetic. "I said... I know that Martha died of Aids. I know that you are HIV positive and I know that you have infected me. I asked him why he didn't tell me and he didn't have any answer. He didn't even apologise to me."

Ms Pink appeared composed and determined as she delivered 90 minutes of evidence.

She told Antonis Llaiss, the district judge that she continued to have sex with Mr Georgiou after going for a second Aids test which proved positive.

"We got on well together," she said. "I loved him. It made sense that we were both infected with the same virus. It made sense to stay together and not leave him. Maybe I was naive but it just made sense that we should stay together."

It was only after she moved into Mr Georgiou's apartment last year that their 18-month re-

lationship turned sour, she said. "I began to see another side of him which I didn't particularly like very much, especially with his temper and his violence towards other people, even his children," she said.

In August last year, Ms Pink had become so ill that she returned to Britain.

"I was very sick," she said. "I had pneumonia and I lost a lot of weight. My hair began to fall out. I was not able to do any of the functions like feed myself. I was completely incapable of doing anything." It was from a hospital bed in England that she composed the letter of com-

plaint to Cypriot police which led to the trial.

The prosecution is the first of its kind to be brought under an obscure island law aimed at stopping the deliberate spread of diseases such as cholera and typhoid. Mr Georgiou faces a maximum sentence of two years in jail and a fine of £1,500.

Earlier, the court heard that the fisherman - who attended the hearing in black jeans and a bright green T-shirt with the legend Queen's Head Pub - has been attending the Aids clinic as an out patient since October. He suffers from vomiting and gastro-intestinal problems.



Janette Pink: 'He didn't even apologise to me'

Schools get ready for compulsory lessons in the new morality

Lucy Ward
Education Correspondent

Ministers yesterday paved the way for compulsory lessons about moral values in schools. But, in approving a statement of agreed values as guidance, the Government was not seeking to prescribe a set of "Ten Commandments" which schools would be forced to follow, curriculum advisers said.

Following government approval of the values statement, devised last year by a 150-strong National Forum for Val-

ues in Education and the Community, schools will now pilot teaching materials based on the guidance.

Dr Nick Tate, chief executive of the School Curriculum and Assessment Authority (SCAA), which is leading work on values education, said that - if Ministers wished - the pilot would be taken into account in a review of the national curriculum due to start next spring for implementation in 2000.

He called on schools to use the statement of values as the basis for lessons promoting pupils'

spiritual and moral development, adding: "The time has come for doing rather than saying - for a national push on values education in schools and for a concerted plan of action."

Though he dismissed the idea of an "A level in morality", Dr Tate said there were some aspects of pupils' social and moral developments which could be formally assessed and recorded.

However, SCAA is anxious to stress that work on the values statement is not intended to force schools to indoctrinate pupils in strict moral code.

The statement, which covers values relating to the self, society, relationships and the environment, was intended to represent a moral consensus on which society could agree.

The move to a clearer definition of moral education in schools was backed by schools minister, Estelle Morris. She said: "The spiritual, moral, social and cultural development of our children is just as important as academic knowledge. We encourage schools to take forward SCAA's work in this area."

David Blunkett, the Secretary of State for Education, also wants to see the introduction of classes in parenting and citizenship in schools.

Self, relationships, society

Extract from the statement of values developed by the National Forum for Values in Education and the Community.

The Self: "We value ourselves as unique human beings capable of spiritual, moral, intellectual and physical growth and development."

Relationships: "We value others for themselves, not only for what they have or what they can do for us. We value relationships as fundamental to the development and fulfilment of

ourselves and others, and to the good of the community." **Society:** "We value truth, freedom, justice, human rights, the rule of law and collective efforts for the common good. In particular, we value families as sources of love and support for all their members, and as the basis of a society in which people care for others."

The Environment: "We value the environment, both natural and shaped by humanity, as the basis of life and a source of wonder and inspiration."



Pay attention 007: Desmond Llewellyn, better known as Q in the James Bond films, with the Aston Martin and golden gun used by Britain's favourite under-cover operative, at the opening of a Bond exhibition at the Royal Armouries Museum in Leeds. Photograph: Andrew Borman

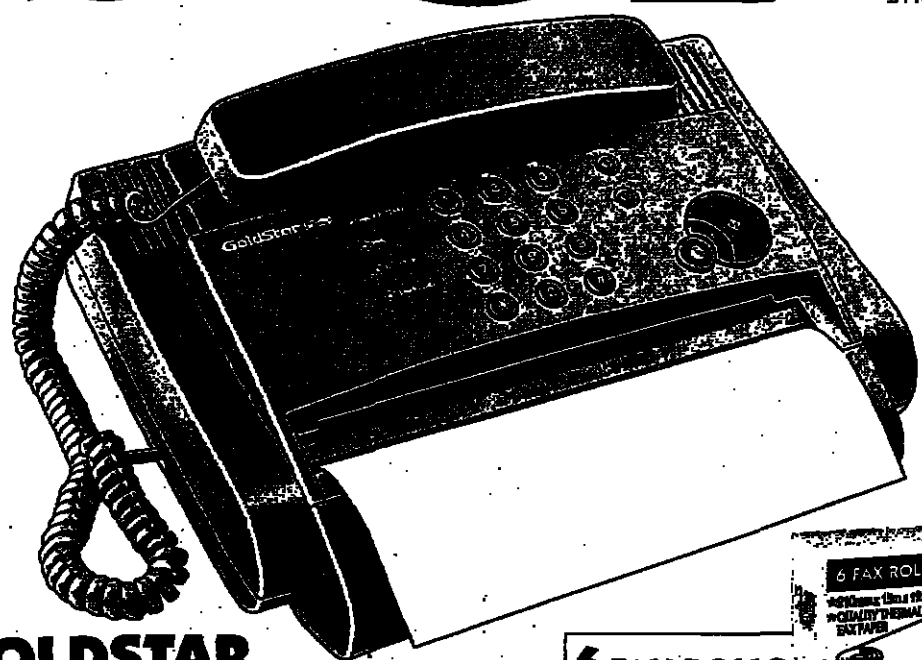
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politics

Tory faithful denied vote on leader

Anthony Bevis
Political Editor

Conservative MPs last night rebuffed party demands for grassroots activists to be given a say in the choice of a new Tory leader to replace John Major next month.

The party's 164 MPs, including two Tory deputy speakers, will elect a new leader by 19 June at the very latest.

But it was made clear to Sir Archie Hamilton, the new chairman of the Conservative backbench 1922 Committee, that the party organisation

would arrange for constituency ballots to be held so that MPs could be presented with grassroots opinion before they themselves vote at each round.

It is entirely possible that the activists will vote differently from the MPs, thereby undermining the credibility of the new leader, but MPs on the left and right of the party have been most reluctant to renounce any of their power this week.

Robin Hodgson, chairman of the party's National Union, the voluntary wing of the party, had asked for the broader party to be given a 20 per cent stake in

the leadership vote, and even Brian Mawhinney, the outgoing party chairman, had suggested 15 per cent.

Both those calls were swept aside yesterday in a statement from Sir Archie to the weekly meeting of the 1922 Committee in the Commons yesterday.

There was not even one question raised on his statement, and the meeting broke up after just 10 minutes.

Sir Archie, who was earlier dubbed a "dinosaur out of the dark ages" by one leading party activist, said that the new leadership would be chosen

under the existing rules, but MPs would propose a number of options for reform to be considered by the party conference next October, to be followed by concrete plans to be agreed by the MPs before the end of the year.

Sir Archie told *The Independent*: "I totally accept, and we've all agreed, that there will be a very much wider franchise for leadership elections in future." But he then added: "I wouldn't go so far as to say it would be one member, one vote."

Asked whether there would be a vote on the issue at the annual party conference, in Blackpool, Sir Archie said: "Probably not. I should think, knowing the Conservative Party, there will be a fair amount of discussion at party conference and we have then undertaken to harden up those proposals. The MPs would then decide on the final package by the end of the year."

Under the existing rules, the five declared contenders for the first-round ballot, on 10 June – Stephen Dorrell, William Hague, Kenneth Clarke, Peter Lilley and John Redwood – would require a majority of

votes of those entitled to vote (83) plus a majority of at least 15 per cent of those entitled to vote (25) over the runner-up.

Margaret (now Baroness) Thatcher fell on the 15 per cent hurdle in 1990, and if no one wins on that basis on 10 June, a second ballot will be held on 17 June.

For that round, in which the winner requires at least 83 votes, new contenders are allowed into the race. If no one wins that majority, the final run-off between the top two takes place two days later, when a simple majority is needed.



Threatened species: A vote on banning fox-hunting could be put at the centre of Tony Blair's first year in office

Photograph: Tom Pileston

Fox-hunt ban vote set to dog Blair

Colin Brown
Chief Political Correspondent

A ballot of MPs to introduce backbench Bills yesterday threatened to embarrass the Government by putting a vote on banning fox-hunting at the centre of Tony Blair's first year in office.

A new Labour MP, Mike Foster, 34, also discovered what it was like being the fox pursued by the hounds, when his name was picked out in first place.

As the only Labour MP in the first six names, he was seen as the main hope for the anti-fox-hunting lobby finally to bring in the legislation for which they have been waiting years.

Within minutes of coming first in the ballot, the new MP for Worcester came under pressure from three animal rights charities to promote a Bill to ban all forms of hunting animals with hounds, which they already have in draft form.

The League Against Cruel Sports had him down as anti-fox-hunting, after he was quoted during the general election in his local newspaper saying: "I would vote to ban fox-hunting. I think it's barbaric practice."

They attempted to contact him on his pager and mobile telephone. Emerging for a few minutes to do a BBC radio interview, he went to ground again. "I am trying to hide away for the next hour or so, just to collect my thoughts," he said.

Labour fought the election on a manifesto pledge to allow a free vote on banning hunting with hounds for sport, but did not plan for it to happen in the first 12 months, when the Government was embarking on its ambitious reforming programme of 26 bills.

DAVID
Aaronovitch

Tone's talented team delivers a class act

The Boy Prime Minister's top three priorities are education, education and education (no one is quite sure what the next three are). So he has stuffed the Education and Employment team with the best talent available to him. Yesterday that talent was on gorgeous display in the first Education Question Time (shortly to be re-christened Education Education Education Question Time).

Most impressive, as one might expect, is David Blunkett. He may well now be the best orator in the House – his fingers scampering over his braille notes – conveying his terrifying single-mindedness about improving state education.

To see him deal with the former schools minister, Cheryl Gillan (C, Chesham & Amersham), was like watching Oliver Cromwell counter the arguments of an ungodly and indulgent Royalist.

Ms Gillan had come out fighting. "I would like a direct answer to a direct question," she demanded. What would happen to the "36,000 of our brightest children who will be robbed" of their chance of private schooling when the assisted places scheme is abandoned?

Mr Blunkett was utterly contemptuous. They were "not the brightest," he retorted, "the brightest exist in all schools." So he was not just concerned about the 36,000, but all the 7 million. Glory, glory, how things have changed!

The unworldliness of the Opposition was emphasised when Sir Patrick Cormack (C, South Staffordshire) – a pleasant but pompous expert on ecclesiastical architecture – chose to make one of those ancient and routine debating points about education in Islington.

But what did the knight of inner-city London know? One found oneself wondering how well he might cope lecturing from 3W of Holloway Comprehensive on the beauties of rural churches. I'd give him five minutes.

More down to earth, Graham Brady – the new Tory at Altrincham, whose irresistible combination of hair, muscles and teeth, puts one in mind of Prince Andrew at his most virile – asked whether grant-maintained schools would be safe under Labour.

He was answered by new minister Estelle Morris. Ms Morris is deceptively frail and quiet-voiced, possessing the body of Edith Piaf, and the voice of Marcel Marceau. But she was not sufficiently *sotto voce* for us to miss her promising that "all schools will flourish under New Labour". All? Now, that's quite a claim.

Then a gently spoken dissident, Gerry Steinberg (Lab, City of Durham), questioned part of the Puritan revolution by asking whether it had really been necessary to publish the list of 18 failing schools this week. Wouldn't such stigmatisation just reduce teacher morale?

Ms Morris, however, regretted rien. The publication, she tinkled, "gave a very strong message from the new government." One ending (she didn't go on) in "off".

My attention was then caught by the attempts of school standards supremo Stephen Byers (brilliant but grim) to deal with Minister's Neck. MN, as it is known, is caused by the fact that so many MPs are Labour, and sit behind the ministers.

Ministers answering questions thus have two options: (a) don't look at your questioner at all, but rudely deliver your answer to the opposite wall, as though it might bounce off and come back; or (b) crane round, keeping your mouth close to the microphone while swivelling your eyes to meet those of the interrogator.

The human head being what it is, the neck has to do a lot of work, and the eyes have to roll hard to one side while the lips must be slid to the other. In bad cases the features stick, and even surgery will not help.

Mr Byers experimented with all the possibilities and settled for staring fixedly straight ahead. Very wise: the boy will go far.

From this position he dispensed revolutionary justice to any that got in his way. A huge brain is no disqualification from the possession of a ruthless temperament.

As he showed to Liberal Democrat spokesherd Don Foster, Mr Byers is a good but loud man, who – despite promptings from this column has yet to comprehend that the sensitive microphones in the House already amplify his voice – yelled something about Labour's plans for spending yer actual money on education.

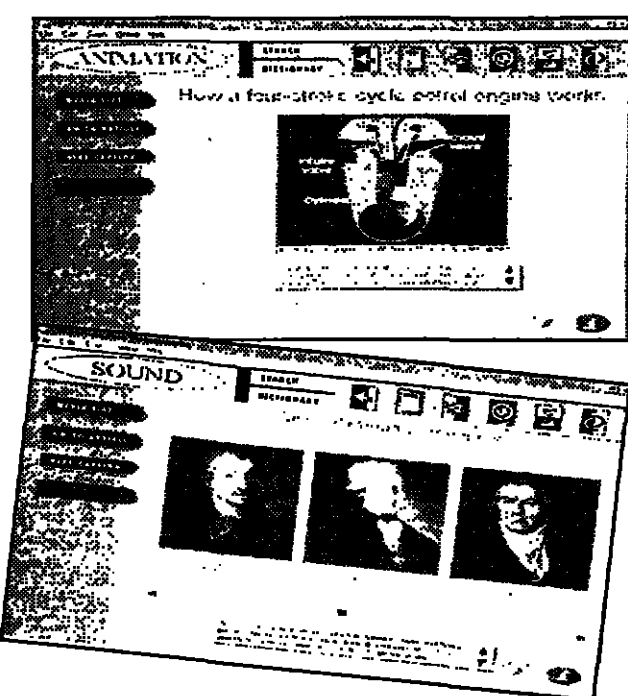
Mr Byers curtly referred him to 1 May. "The British people spoke on that day," was his reply. True, but unsatisfying.

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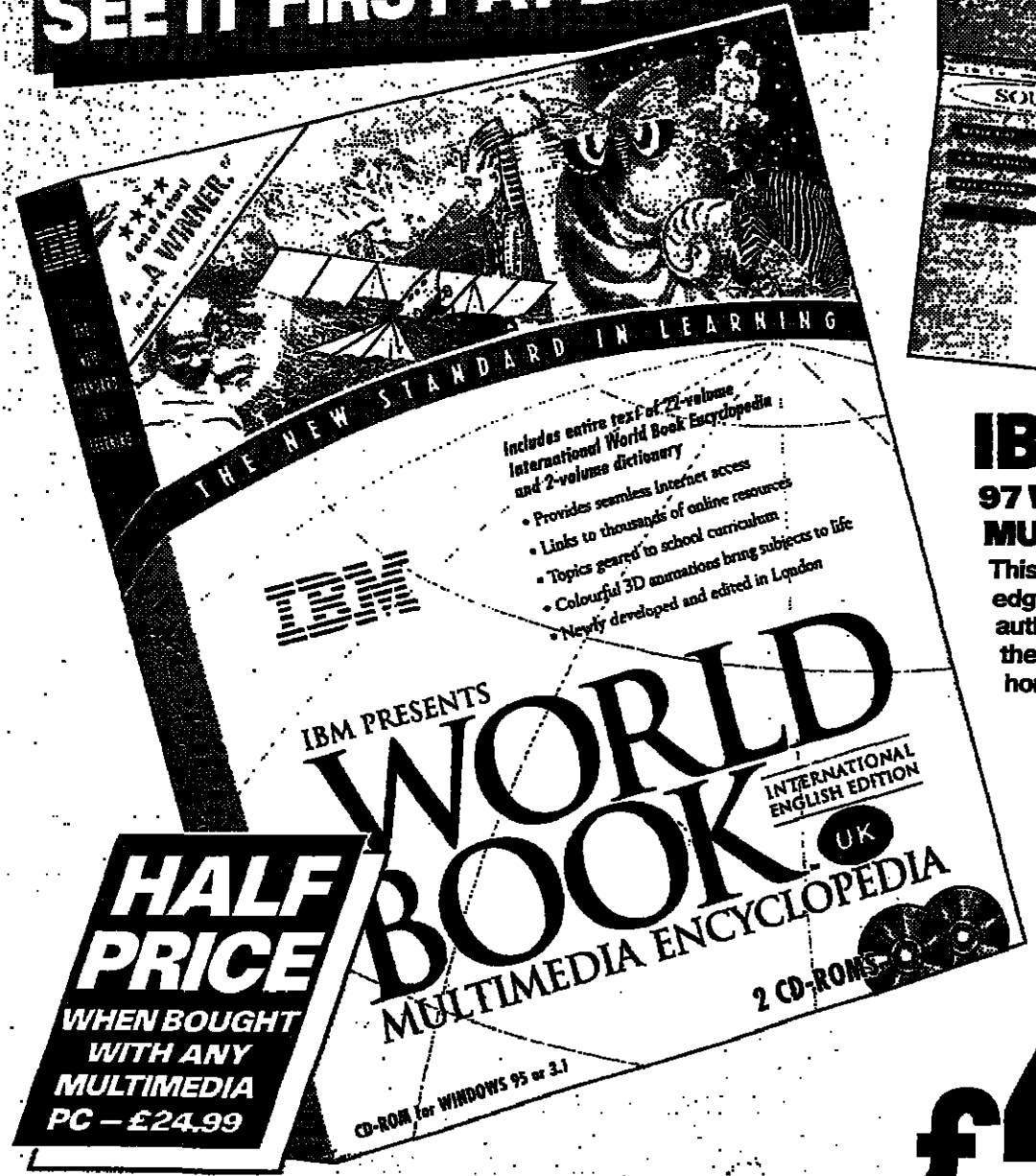
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Britain in EU: Modernisation needed to oust élitism and waste

Blair ready to fight for 'people's Europe'

Anthony Bevins
Political Editor

An attack on the élitism of European Union leaders will be delivered by Tony Blair today at his first summit, in the Dutch coastal town of Noordwijk.

Having turned new Labour into a "people's party", and his government into the "people's government", Mr Blair now wants a modernisation of the EU, to create what he calls a "people's Europe".

The Prime Minister's office said yesterday that he was expected to tell the other heads of government at a special one-day conference that Britain wanted a fresh start, with a more engaged and more constructive approach in pursuit of Britain's national interests, as a major player, ending the years of impotence and defeatism.

But he would also be saying that while there was much that

was good, there was also much that was bad in the EU and that the "élites have paid insufficient attention to the people".

A spokesman suggested that Mr Blair would want to exploit his position as a new Prime Minister, elected with a massive majority and deep interest in new Labour across Europe. He would want to use that interest to Britain's advantage.

Mr Blair was said to believe that more had to be done to make people aware of the benefits of Europe, and that the waste and inefficiency of systems such as the Common Agricultural Policy (CAP) had to be reformed.

The spokesman added that there was a sense that the élite was "driving the train", without the people being aboard. Europe had to explain better what it was doing, and close the gap of understanding between the leadership and the people.

There was a good deal of unease, he said, about the pace of integration, and there was no question of the new government allowing the national identity to be submerged in some kind of European superstate.

However, the Prime Minister understood that reform could only be won through constructive debate; through "dialogue, not war". In substance, that meant that while no hard decisions would be taken today on the draft treaty that it expected to be agreed at Amsterdam on 17 June, Britain would be saying that there would be no more British opt-outs - and it was not helpful to threaten vetoes.

As for detail, Britain would insist that its borders were sacrosanct, and that would have to be written into any treaty that came out of Amsterdam. While there was no objection to common agreement between the member states on the European

mainland, Britain and Ireland would want to retain control over their own immigration and asylum procedures.

A senior Whitehall source explained that while internal police checks were common in the rest of Europe, there were no identity cards in the United Kingdom, and few internal controls. Controls were therefore required at border posts.

The only detailed change of policy between the Conservative government and the new administration is on its attitude towards formal European arrangements for peace-keeping forces, which Mr Blair will accept.

As for the Government's programme on Europe, the Prime Minister's office said the target was for a completion of the single market within the next 12 months; reform of CAP; enlargement; progress on competitiveness; and more effective co-operation on foreign policy.

Danish anger over borders could let UK off the hook

Sarah Helm
Brussels

Tony Blair may be able to avoid a damaging dispute at today's Noordwijk summit over sharing immigration and justice policy, thanks to new Danish warnings that it may have to veto the entire proposal.

Efforts to secure new joint powers to pass immigration laws and oversee frontier controls have brought the Labour government close to serious confrontation with its European Union partners, and the issue is expected to overshadow today's talks on the new European treaty.

Although Mr Blair has been assured that Britain can maintain its internal frontier checks, the Government is expected to tell other member states today

that it still fiercely objects to the more general plans to pool powers in immigration and justice fields.

Yesterday, however, it suddenly emerged that Denmark could let Britain off the hook. The latest proposals on power-sharing have angered Denmark, which already argues that it could not accept them without holding a referendum.

As a result, European officials were last night back at the drawing boards and some officials predicted that the entire proposal would have to be re-worked.

"It is all a mess. I don't know, at this stage if we can find a solution," said one European Commission source.

The Noordwijk summit will give Mr Blair his first chance to set out his new government's

bottom line on the Amsterdam Treaty talks, and British officials are already talking confidently about smoothing the way to a satisfactory deal. "We are not saying it's a done deal, but we are quite confident," said one Foreign Office source.

In addition to immigration and justice, British officials point to three other outstanding problems which must be resolved: defence, flexibility, and fish quota-hopping.

France and Germany are proposing major new powers for the EU over defence, suggesting that the Western European Union, Europe's *de facto* defence arm, should become a mini-Nato, incorporated into the EU structure.

Britain, however, argues that the EU should only have powers to dispatch troops for

humanitarian and peace-keeping tasks, and opposes any move to create a European defence separate from Nato.

All Europe's neutral states back Britain on defence and the Franco-German plan is already being watered down.

Current plans to allow some member states to share powers "flexibility" - or at a different pace to others, are currently opposed by the Government, but officials predict that a compromise formula would not be hard to achieve.

In return for compromise in some of these areas, Britain is asking for a protocol which would curb the practice of fishing vessels quota-hopping.

Talks in Brussels this week produced major progress on quota-hopping, opening up the way to the Amsterdam deal.

Sinn Fein boosted by surge in votes

David McKitterick
Ireland Correspondent

Sinn Fein was the major beneficiary yesterday from a general rise in the nationalist vote in Northern Ireland's local council elections, leaving Unionists in danger of losing overall control of Belfast city council.

Patterns emerging from the first day of counting confirmed the general election trend of a significantly increased nationalist turnout in many of the 26 council areas.

While counting will not be concluded until later today, Sinn Fein seemed to have sustained the surge which earlier this month saw it capturing 16 per cent of the vote. Overall, there was little sign of any easing of the extreme polarisation which has marked Northern Ireland society and political life.

John Hume's Social Democratic and Labour Party accused Sinn Fein of vote-stealing in Londonderry in particular. One councillor, Mark Durkan, declared: "What we're seeing here is a surge that's coming through by manipulation and proxy votes on a wholesale scale." This was denied by Sinn Fein.

From the Unionist side came complaints that the whirlwind tour of trouble spots undertaken on polling day by Mo Mowlam, Secretary of State for Northern Ireland, had given a boost to nationalist council candidates who were pictured with her.

Ulster Unionist Party MP Ken Maginnis accused her of "unforgivable direct interference" in the election, adding: "If there has been a deliberate infringement of the electoral system then there may be grounds for asking that the whole process be declared null and void."

Jim Rodgers, a UUP councillor, lamented the comparatively poor Protestant turnout, claiming: "People on the Unionist side of our community are absolutely demoralised."

"They tell us on the doorsteps that they are tired [of] voting, that the only people the Government pays attention to are the terrorists."



Buttonhole: Alexander Taylor, four, who has made a recovery from cancer, presents Tony Blair with a blue starflower, symbol of today's National Cancer Day. Photograph: Sean Denney

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news

Why Irish eyes aren't smiling on the great Romanian invasion

Alan Murdoch
Dublin

Ireland is facing a refugee crisis, with hostels and welfare offices inundated by an influx of eastern European migrants taking advantage of the country's liberal immigration laws. The possibility of criminal involvement in an illegal trade was indicated by the arrests of 34 Romanians in northern France. Six couples with 17 children were detained

at Roscoff moments before they were to board a ferry for Ireland. It was discovered they were travelling under false Spanish passports purchased for the equivalent of £64 each. At a special hearing in Morlaix this week the six adults were remanded in custody and the children placed in care. Three more Romanian women accompanied by two children were also arrested at Cherbourg last Friday. They were using passports stolen in

Italy and had been brought to Britain by German drivers, according to French immigration officials. In Dublin a welfare office had to close when *gardai* were called to restore order after a crowd of refugees who had been queuing for 7am battered down the door. They became angry on learning the service could not cope with all of them that day. In the chaos that followed, a number of children were trampled on. The flow of refugees into Ireland

has gone from a trickle to a flood, with more than 100 new arrivals each week. Dublin now faces having to cope with 20,000 refugees in five years' time. The largest single group are Romanians, many of them gypsies. Every day, women and small children can be seen begging with handwritten notes in pidgin English. Asylum applications shot up from 1,179 in the whole of last year to 1,300 since January, with a total of 4,000

expected by December. Welfare sources say total new arrivals this year is nearer 2,500. Irish local authorities have a statutory responsibility to house the homeless. Irish Government sources say Romanians form the largest group, with lesser numbers also coming from other eastern European countries, Zaire, Somalia and Nigeria. While Italian and Vietnamese immigrant communities exist in Ireland, their numbers are small. After

decades of economic decline, Ireland has only recently attracted foreign immigrants. Refugee agencies and the Eastern Health Board are asking for more funds and for the burden of providing aid to be shared by more public services. "Until January you had just four community welfare officers dealing with all the Dublin homeless and newly arrived asylum-seekers in an awful premises beside the Four

Courts," says Nadette Foley of the Irish Refugee Council charity. An official promise of improved reception facilities failed to materialise, prompting welfare staff last Tuesday to refuse to work in another cramped office. They began sending refugees to the justice minister's office and EHB headquarters. Dublin's problems may become critical when summer tourists fill the city's hotels, leaving no space for refugees.



In Dublin's fair city: Hungry and homeless, a Romanian woman - young child in her arms - begs on the streets after joining the flood of refugees into the Irish capital. Photograph: Eamonn Farrell

Debate renewed on enigma of chronic fatigue syndrome

Jeremy Laurence
Health Editor

No illness inspires stronger passions than chronic fatigue syndrome - which is the first oddity about a condition that supposedly leaves its victims exhausted. Sufferers and doctors disagree vehemently over its cause, its treatment and even its name. The claim this week that half of schoolchildren on long-term sickness absence from school are suffering from it will re-ignite the debate.

The disease, if that is what it is, has claimed prominent figures including the Duchess of Kent, who declared herself a victim last December. Esther Rantzen's daughter, and Clare Francis, the former round-the-world yachtswoman, who has since worked tirelessly to publicise it.

Chronic fatigue syndrome is a portmanteau term used by doctors to describe a condition the cause of which is not understood. It is defined as severe disabling fatigue lasting at least six months made worse by physical or mental exertion and for which no adequate medical explanation can be found. Up to 2.5 per cent of the population - over one million people - are believed to be affected by it.

Once named "yuppie flu", but since dropped as both derogatory and inaccurate as all social classes are affected, it has been variously called Persistent Virus



ME sufferers: Duchess of Kent (left) and Clare Francis

Disease and myalgic encephalomyelitis (ME). Patients groups, such as the ME Association, claim organic factors - possibly a virus - play an important role, because in many cases the condition develops following a viral illness. However, many doctors believe the causes to be primarily psychological.

To resolve the dispute, the Royal Colleges of Physicians, Psychiatrists and General Practitioners established a working party to examine the issue. In a report last October they sought to bridge the gap between the opposing camps by declaring that the condition could not be considered as primarily physical or psychological but had aspects of both.

Patient groups, including the ME Association and Action

for ME, criticised the report for being biased towards psychiatric factors. But they welcomed the recognition that it was a seriously debilitating condition that was poorly understood and poorly managed by doctors. Professor Simon Wessely, a psychiatrist at King's College Hospital, London, said research was now focusing on why some people were vulnerable to the condition. Four research groups in the UK studying brain function had found the same pattern of low levels of the stress hormone, cortisol, and increased serotonin function. This was a mirror image of depression, characterised by high levels of cortisol and decreased serotonin. "It suggests chronic fatigue syndrome is related to, but not the same as, depression."

Handgun ban costs £150m

Jason Bennett
Crime Correspondent

The cost of compensating firearms owners for banning all hand guns will be at least £150m, more than six times the original estimate, it was revealed yesterday.

The latest Home Office figure for paying gun enthusiasts and dealers will be a blow to the Government, as the extra money is not included in the current budget.

The news came as the Government outlined its Firearms Amendment (No.2) Bill which proposes to outlaw the esti-

mated 40,000 revolvers of .22 calibre and below which are excluded from a ban of higher calibre weapons introduced by the Tories.

The Bill gives MPs a free vote on the issue and with the huge Labour majority is sure to be passed.

First estimates put the cost of compensation at £24m, but addition payments for accessories and ammunition increased the expected amount in November to between £25m and £50m.

But Home Office officials now believe the total cost for the additional 40,000 .22 guns and

for payments to both dealers and private owners will be about £150m. The gun lobby has argued that the amount will be far higher.

Of the £150m, about £12m will be used to pay compensation for the .22 guns and another £19m for accessories of the smaller calibre weapons. The remaining money will be for the more powerful firearms.

Publishing the Bill, Alan Michael, a Home Office minister said: "In light of the Dunblane tragedy, it is clear that only the strictest firearms law can provide maximum safety to the public."

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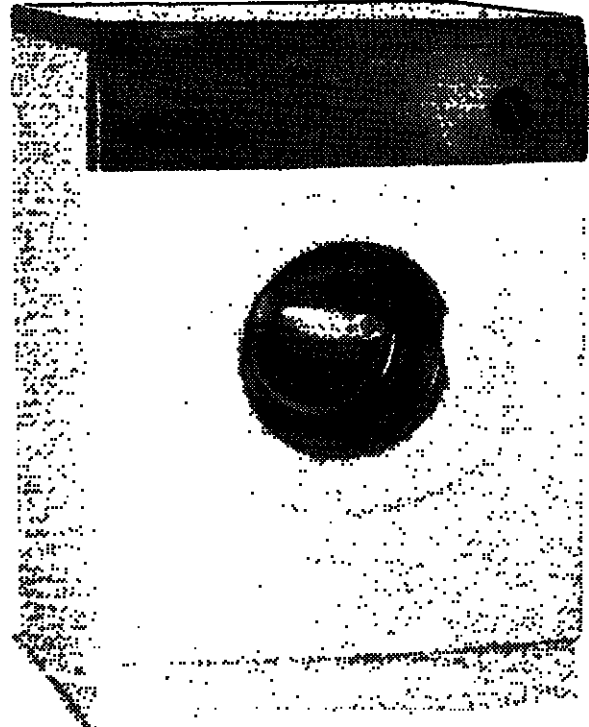
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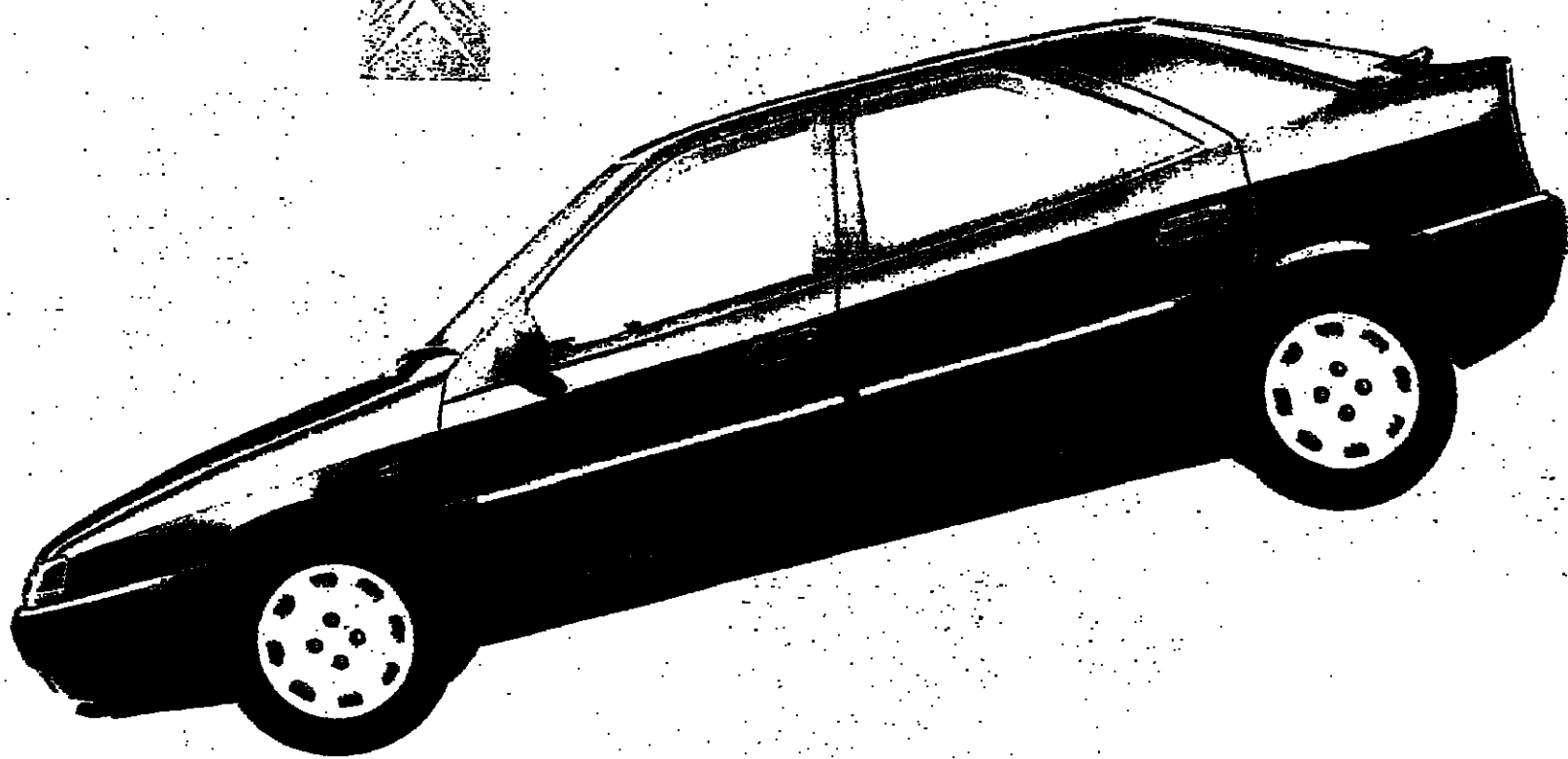
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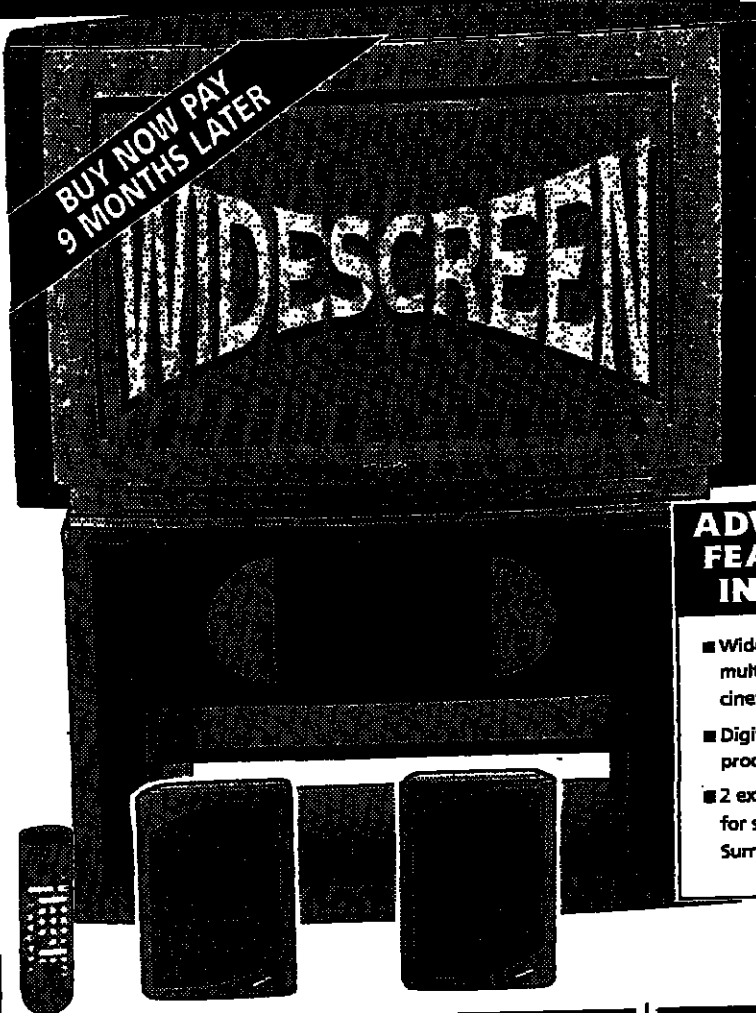
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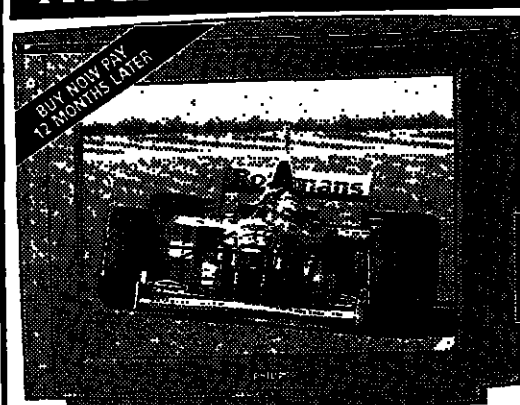
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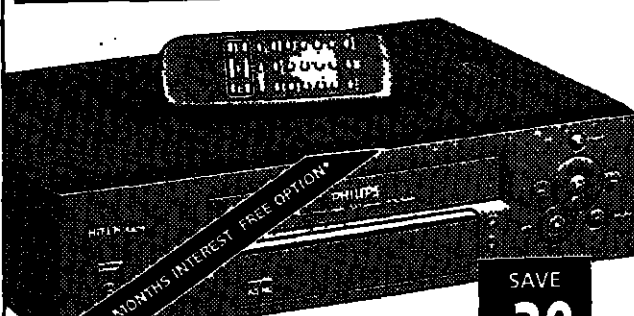


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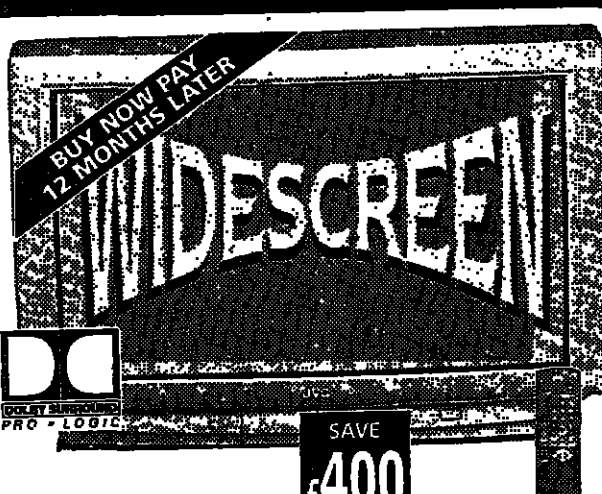


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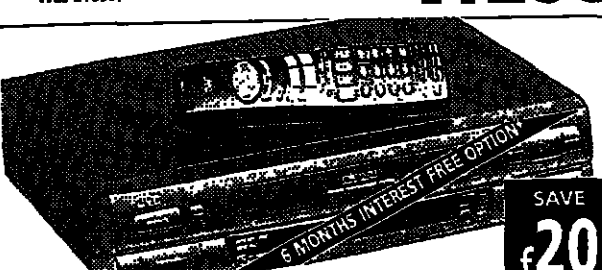
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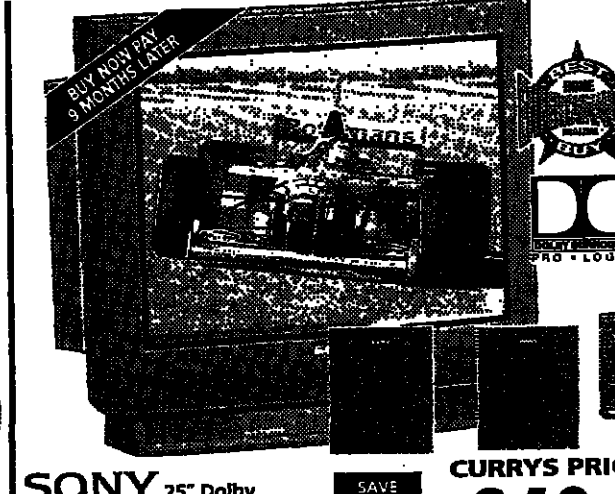


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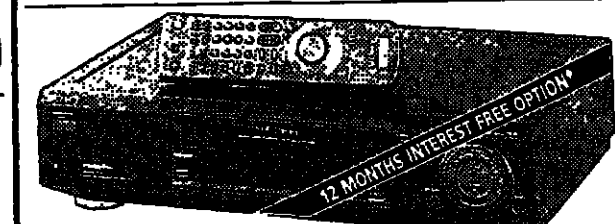
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Help us, plead Britain's athletes, or we'll never scale the heights again

Pat Butcher

The recent suggestion to take the "Great" out of Great Britain has long been a foregone conclusion in Olympic terms. As the British Olympic Association's Athletes' Commission report published yesterday notes without irony: "It is upward of 70 years since Britain was what could be described as a major Olympic power. Not since 1924 have we won more than six golds at an Olympics."

In short, the Chariots of Fire were not on their way to glory, but to perdition.

The problem is, of course, money, or rather, the lack of it. Britain came back from the Olympic Games in Atlanta last summer with one gold medal and an overdraft.

According to the commission survey, 51 per cent of those returning from team duty in Georgia, did so with average debts of £3,400.

For the women, who made up 40 per cent of the team, the debt was higher — about £5,000-£6,000.

Athlete Jon Ridgeon, one of the many Olympians present at yesterday's launch in central London, admitted that injury had put him into debt "way in excess of those figures", mostly, Mr Ridgeon pointed out, since he had had to find treat-



On her knees: Hurdler Sally Gunnell shares British frustration at the Olympics
Photograph: Gary Prior

ment abroad, until such time as the promised British Academy of Sport came on line, another bone of contention.

Rower Annamarie Stapleton, one of the report's authors, described the extraordinary circumstance of a "fortuitous accident" funding her Olympic campaign. Had she not received compensation after being hit by a lorry on a pedestrian crossing in October 1993, "I might not have been able to afford my preparation".

The British Olympic Association (BOA) has always been strapped for funding, and unlike most other First World countries has not in the past been given many concessions, let alone cash from central government. So the BOA was happy yesterday to back up what is essentially a participants' forthright view of

the state of play. The report is peppered with comments such as "there is no national strategy", "short-term solution", "poor communication [with

governing bodies]", breakdown of trust (ditto), "frustration" and "irrelevant decisions".

However, the report might have had more impact if more than the 62 per cent of the Olympic squad who responded had got involved. None the less, it is a timely follow up to yesterday's news of Lottery funding for major Olympic sports, which however welcome, as virtually all present at yesterday's launch pointed out, is going to work out at substantially less than the possible £28,000 per annum to elite practitioners mooted before Christmas.

The reality is going to be closer to, in the terminology of

Gavin Stewart, the commission's chair, a "subsistence level" £9,000.

It is also two months late which, as Mr Stewart pointed out, "might be OK if you're building sports facilities, but not if you've got to put food on the table". He added: "Income levels for sportspeople are well below the UK average, and more so among women".

Mr Stewart, Ms Stapleton, Mr Ridgeon and the BOA's chairman Craig Reddie were all upbeat about Britain's medal potential in Sydney if the right (financial) moves were made, but, few doubt that we shall be making another Odyssey to central London in 2001.



Flip side: High Jumper Steve Smith, who won silver at Atlanta

Photograph: David Ashdown

DAILY POEM

Hungry Thames

By Helen Dunmore

Hungry Thames, I walk over the bridge
half-scared you'll whistle me down

where the brown water is eager
and tipped with foam.

You sigh and suck. You lick at the steps
you would like to come up.

Hungry Thames, we feed you on concrete,
orange-peel, polystyrene cups.

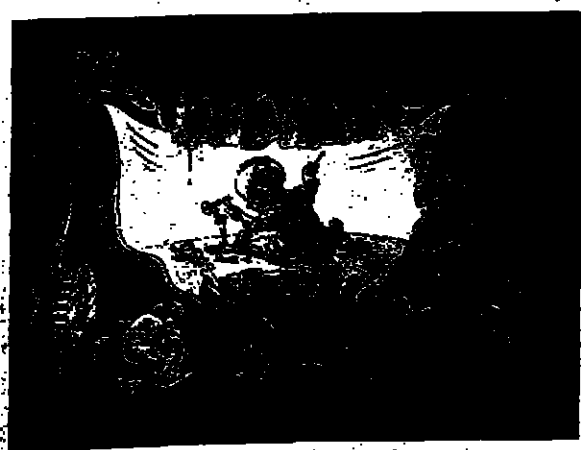
we hold our kids by a handful of clothing
to let them look at your dimples.

your smiling waters. We should hold them tighter,
these are whirlpools, this is hunger

lashing its tail in the mud, deep down
where the river gets what it wants.

"Hungry Thames" comes from Helen Dunmore's sixth volume of poems, *Bestiary*, published by Bloodaxe Books (£6.95). Viking publishes her new collection of short stories, *Love of Fat Men*. Both books will be reviewed in *The Independent* on Saturday 31 May.

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Youth courts told to speed up sentencing

Patricia Wynn Davies
Legal Affairs Editor

The new Lord Chancellor yesterday fired the opening shot in the Government's drive to halve the time from arrest to sentencing of persistent young offenders.

Lord Irvine urged all magistrates to end the current "adjudication culture" in which neither offenders nor lawyers expect cases to be disposed of, or even make progress, at the initial hearing.

In a letter to chairmen of youth courts throughout England and Wales, he encourages JPs, who are independent of government, that "wherever possible and consistent with the interests of justice" they should sentence a greater proportion of cases at first hearing and be more critical of applications for adjournments.

Where an adjournment appears unavoidable, magistrates should be ready to question the amount of time needed before the next hearing and set a clear timetable for the remaining action, the letter says.

JPs should also "consider very carefully" whether a presentence report is always necessary. "Speed is essential," Lord Irvine says. "Delay disconnects the offence from the punishment and may waste months of the young person's development."

Cutting the time from arrest to sentence for persistent young offenders was a manifesto

pledge at the election and is part of the Government's campaign to tackle the hard core of young offenders, and so-called "spree offending", where a young criminal commits a string of offences while on bail for an earlier crime.

But the promise will be difficult to deliver by legislation alone. Citing last year's Audit Commission report, *Misspent Youth*, which found that only 17 per cent of young offenders were sentenced at first hearing, Lord Irvine says in the letter: "About half the time taken to deal with a young offender occurs before first listing in the youth court and we will be taking steps to reduce that time dramatically. However, the other half of the time occurs after the case has reached the youth court."

Lord Irvine promised magistrates full consultation in advance of an autumn White Paper on changes in the youth courts, and the promised Crime and Disorder Bill, which will enshrine fast-track punishment in law, create new sentencing powers for courts and establish local inter-agency partnerships for tackling and controlling offending behaviour.

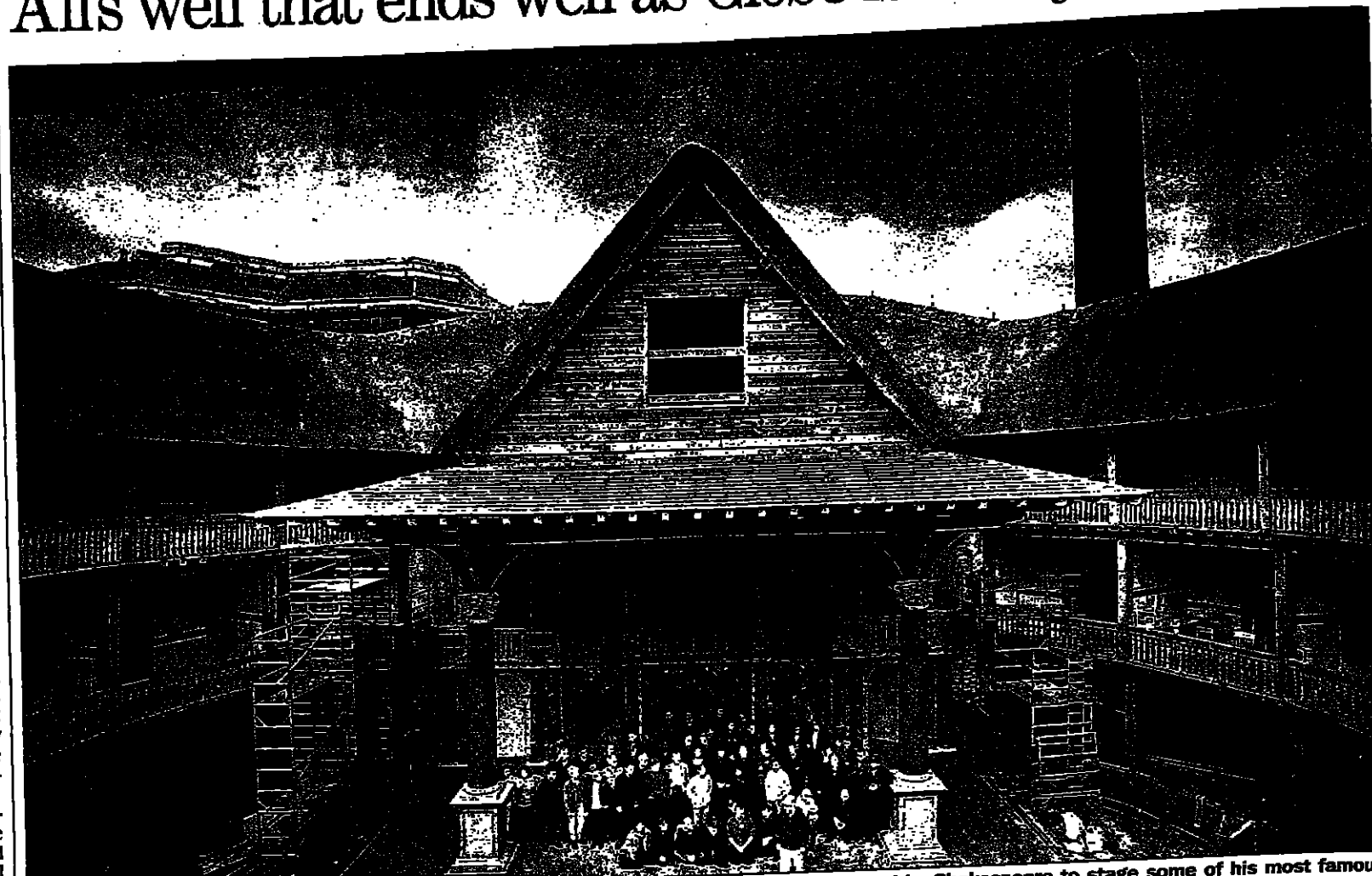
The initiative follows the announcement on Wednesday by Jack Straw, the Home Secretary, of the establishment of a Youth Justice Task Force, made up of representatives from the police, probation and social services and government departments to advise on his planned shake-up

of the youth justice system. The Magistrates' Association, which has already issued its own guidance on reducing adjournments, gave a guarded response to the letter, saying it "fully supports practical measures to address delay" but emphasising that all the agencies involved in youth justice had key roles to play in dealing swiftly and effectively with young offenders.

The association praised the Government's proposal for juveniles to receive one final warning instead of repeated cautions, but added: "Apparent delays are sometimes caused by the demands of justice and the recognised right of the defendant to seek legal advice."

Anne Fuller, the association's chairwoman, said: "We are not against change but all magistrates wish to see a well considered, practical and full review, not quick patchwork measures."

All's well that ends well as Globe is finally completed



The Red and White Company at Globe theatre, Bankside, London yesterday. The theatre, used by Shakespeare to stage some of his most famous plays, has now been fully reconstructed on the original 16th century site and opens its new season with *Henry V* on Tuesday. Photograph: Brian Harris

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international

Clinton's man for London post

Mary Dejevsky
Washington

With the British general election over and the Clinton administration slowly assembling its second-term appointments, a close associate of the president has been mooted as the next US ambassador to London. To succeed William Crowe. The name in the frame is that of Philip Lader, currently head of the Small Business Administration that dispenses millions of dollars worth of government money and advice to American entrepreneurs.

Mr Lader, 51, is a Clinton contemporary, a fellow southerner, and something of a political soulmate — he and his wife, Linda LeSourd Lader, started "Re-naissance Weekends", the New Year policy discussions attended regularly by the Clintons. In Bill Clinton's first term, Mr Lader was deputy chief of staff at the White House.

Like Mr Clinton, Mr Lader is a graduate of Harvard law school and also spent two years at Oxford (Pembroke College, where he is an honorary fellow). Before taking up his first White House appointment,

as deputy director for management, he was briefly president of Australia's first private university.

Mr Lader's age, his successful business career — mainly developing leisure complexes — and his policy interests seem to equip him well to represent the US in New Labour Britain.

The one question mark over his political loyalties might be his seven-year stint as executive vice-president of Sir James Goldsmith's US holding company, GOSL Land and Assets Management. His single attempt to enter politics, when he stood for the governorship of his native South Carolina, came to nothing.

The White House would not confirm or deny Mr Lader's likely nomination yesterday, but a colleague of his at the Small Business Administration confirmed that he had been approached about an ambassadorial appointment, but did not know which. British diplomatic sources in Washington could not confirm his nomination either, but they noted he had been to dinner with the ambassador in recent weeks and described him approvingly as having "strong links with Britain".

Reuters (Washington) — State Department spokesman Nicholas Burns is expected to be named US Ambassador to Greece, administration officials said yesterday.

Mr Burns, 41, was being considered as ambassador to the Czech Republic but that posting was not going to be available until 1998, while the Greece posting is available later this summer, officials said.

One source said Secretary of State Madeleine Albright had pushed hard for Mr Burns' appointment to Athens. She has said that the dispute between Greece and Turkey about Cyprus is among the regional problems on which she wants to focus.

Mr Burns has been State Department spokesman since January 1995. He was appointed by the then Secretary of State Warren Christopher and has been serving Ms Albright temporarily until she names a permanent spokesman, expected to be James Rubin, one of her closest aides. Before his appointment as spokesman, Mr Burns, a career diplomat, was senior adviser at the National Security Council on Russia and other former Soviet states.

... and here's the Texan Ambassador to the Court of St James



Wrong credentials: Robert Hertner being kept at the gates of Downing Street yesterday

Photograph Kalpesh Lathiga

The Lone Star fails to make London shine

Clare Garner

If Robert Hertner has his way, then the United States ambassador with offices in Grosvenor Square will not be the only new American ambassador in London. Mr Hertner, 49, the self-styled Texan ambassador, looked every bit the Lone Star as he loitered outside Downing Street yesterday.

Earlier in the day he had failed to get beyond the wall of tourists watching the changing of the guard at Buckingham Palace, in order to present his credentials. But that did not deter him from trying his luck with Tony Blair.

"The south-west wind blows 24 hours a day over Texas," he drawled, unfurling his blue and yellow flag. "It figures that we are fairly resilient characters."

His persistence did indeed pay off. Well, at least he made it as far as the gates at Downing Street. "Hello, how are you? I'd like to present a letter for the Prime Minister."

His jaunty manner did little to impress the attendant policeman, whose polished appearance contrasted with Texan visitor's weathered look.

Realising that he was no more going to hand-deliver his documents to Number 10 than have tea with the Queen, the would-be diplomat settled for sealing the envelope. It was addressed: "For the personal attention of the Right Honorable Prime Minister" and stamped with a Lone Star State silver sticker.

Perhaps Mr Blair would look upon him sympathetically. Not only was he a new prime minister and a "fresh outlook", but "Tony Blair, Bill Clinton and

Robert Hertner all played in different pop bands together." Sorry? "In different bands in the same time frame," he said.

In one letter, Mr Hertner invoked "the protocols under the Doctrine of Retroactive Recognition in accordance with the Law of Nations in respect to the treaty between Great Britain and the Republic of Texas since 1840."

He requested copies of the treaties and documents with a view to "normalising relations between our two great nations."

He handed over the package and reflected: "They've been officially delivered, in public, in front of witnesses, and that's the best I can do at the moment."

But that left the small matter of Her Majesty. "I'm not exactly sure how to contact the Queen with my documents," he puzzled. "I'll fax them? They fax me? I don't know."

Mr Hertner, who was dressed in his father's battered bandero, a pair of cracked, leather catlemen's boots, and Navajo jewellery, claims to have "tens of thousands" supporters back home. He summed up his message: "Anyone can become an American, but you have to be born a Texan."

Three weeks ago, he turned his home in Kensal Green, north-west London, into the "Embassy of the Republic of Texas for the Sovereign Nation of Great Britain". "Much like Tony Blair, I've been a diplomat for exactly three weeks," he said, reaching for another point of contact.

Mr Hertner wound up his flag and headed for home, saying: "I think we're going to do the intelligent thing and go get some nachos for brunch."

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international

Yeltsin sacks defence chief over reforms

Phil Reeves
Moscow

Boris Yeltsin has taken on his own military by sacking two top defence officials, including the popular Minister of Defence, Igor Rodionov, for failing to make any headway in reforming Russia's vast, tottering armed forces.

The dismissals came as the president delivered a ferocious, and evidently choreographed, televised bawling-out to the two in front of top officials at a meeting of the Defence Council. He was, he complained, "indignant" over the lack of reform and the state of his armed forces. "The soldier is losing weight while the general is getting fatter."

Mr Rodionov, a career general turned civilian minister, was fired after only 10 months in one of the toughest jobs in the country, after the presidency itself. Perhaps significantly, his acting replacement was named as General Igor Sergeev, the head of the elite strategic rocket forces – part of the armed forces that may become the nucleus of Russia's overhauled military in the future. The other sacking was the chief of the general staff, the number two in the army, General Viktor Samsonov.

Mr Yeltsin's accusations were certainly founded on fact, although they may be seen as unfair by many in the military. Mr Rodionov achieved almost no reforms, and what did happen – the axing, for instance, of an intermediate level of command in the air force and cuts to the elite paratrooper forces – was piecemeal and even illogical. If anything, the chaos in the Russian armed forces, still reeling from their humiliation in Chechnya, worsened. Reports poured in of increased suicides

among officers, soldiers being treated for malnutrition, mass draft-dodging, moonlighting, theft, and embezzlement, bribery among the senior ranks. Chief among the reasons for the minister's lack of progress was shortage of money. Cutting armies is costly; equipment has to be replaced, and laid-off soldiers are entitled to pensions and 20 months' redundancy pay. Yet this year, the Russian Defence Ministry was facing a budget of 83 trillion roubles (£8.8bn), no greater than last year's.



Igor Rodionov: Armed forces still in chaos

When Mr Rodionov was appointed last August, on the urging of Alexander Lebed, then Mr Yeltsin's protégé and security supremo, there was a sharp intake of breath in the West. He was widely blamed for the loss of 19 lives when Soviet troops suppressed a pro-independence protest in Georgia in 1989. But his hardliner reputation quickly dissolved. Last night, Western sources portrayed him as an honest official, a soldier's soldier who was being scapegoated by Mr Yeltsin. They pointed out that the defence minister was, in effect,

working without a script. Before last year's presidential election, a vote-seeking Mr Yeltsin announced plans to turn his conscript army into an all-professional force by the end of the century – a target that is regarded as unrealistic. But his government has yet to compile a blueprint outlining its overall military strategy.

Moreover, the Russian Security Council has only just completed work on a national security concept. "It was asking the impossible of Rodionov to produce cuts on the ground, when he had no concept, no blueprint, to work with ... Mr Yeltsin is making him pay the penalty for failing to carry out reforms that can only be achieved by the president himself," said one Western analyst.

In part, Mr Rodionov was the author of his own downfall. His outspoken attacks on Kremlin policy, and his clashes with the president's top defence adviser, Yuri Baturin, angered Mr Yeltsin. In February, the minister warned that Russia could lose control of its vast nuclear arsenal, such was the financial crisis.

"The whole horror of the thing is that as Russia's defence minister I am a spectator of the process of destruction in the army, and cannot do anything about it," he told reporters. Fed up with frequent public complaints, Mr Yeltsin eventually ordered him to "stop whining".

Mr Rodionov's sacking appears to mark another step in the rapid ascendancy of Mr Yeltsin's two young reformers, Boris Nemtsov and Anatoly Chubais, who have been pressing hard for military reforms. Yesterday the two deputy prime ministers were appointed to the Security Council, one of the key forums for defence policy-making.



Safety in numbers: Argentine border guards huddling together on Wednesday as they prepare to charge protesting sugar workers. Photograph: Reuters

Le Pen's personal strategy puts Front candidates at risk

Jean Marie Le Pen has been playing his favourite role in the French parliamentary election campaign: the loose cannon.

On this occasion, however, his substantial and unpredictable bulk menaces several of the candidates best placed to win seats for his own far-right National Front (FN).

Mr Le Pen has been going around singing the praises of the Socialist leader, Lionel Jospin, and urging FN voters, at all costs, not to re-elect the present centre-right government over the next two weeks.

Sound long-term strategy to sow confusion in the French political system? Maybe, but Mr Le Pen has also sown confusion in his own ranks. As many as 15 FN candidates hope to qualify for the second round in straight contests with Socialist or Communist opponents. They have been infuriated by Mr Le Pen's comments, which could cost them the few hundred votes that may be the margin between success and failure on the second weekend of voting.

With two days to the first round, here is one of the many paradoxes of an extremely odd French election. The National Front is in unprecedented public disarray: Mr Le Pen's comments have been disavowed by several leading FN figures. And yet the disillusion of the electorate is so profound that the ultra-right party may still score well enough on Sunday to hold the key to the outcome of the second round on 1 June. The final published opinion polls fore-

Snap election is exposing bitter divide in far-right. John Lichfield reports from Paris

cast the FN score as a comparatively static 13-15 per cent but pollsters tend to under-count the far-right vote. Anecdotal evidence from around the country suggests that it may be higher.

The number of "triangular" contests in the second round, involving the left, centre-right and FN, and the pattern of transfers of FN votes in other constituencies, will largely decide the outcome of the election.

The arithmetic is mind-twisting but French psephologists believe an FN first-round score in the region of 17 per cent will severely damage the government's chances of re-election.

What the snap election has revealed, is the bitterness of the internal rivalries within the National Front. For only the second time in a political career spanning 40 years, Mr Le Pen is not standing in any constituency. He is the only party leader to refuse to face the electorate.

He chose not to run, according to Front insiders and Front watchers, because of his growing obsession with, and hatred for, his *de facto* number two, Bruno Mégret. Mr Mégret is widely expected to win in Vitrolles, the constituency he has nursed near Marseilles, where

his wife, Catherine, was elected mayor in February. Mr Le Pen could find no constituency which offered the same chances of success. He decided not to run, rather than fail in Mr Mégret's moment of triumph.

The dozen or more constituencies which may be decided by a run-off between the National Front and the left include Mr Mégret's in Vitrolles (which is not going as well for the NF as expected). But other campaigns potentially damaged by Mr Le Pen's comments include those of his own loyalists, including the strong challenge in Toulon of Jean-Marie Le Chavallier, the FN mayor of the city.

"Le Pen's comments are a stab in the back," one FN candidate told the investigative newspaper *Le Canard Enchaîné*. "There will be a settling of scores after the election."

Why did Mr Le Pen do it? It could be argued that it would serve the FN best if France were plunged into a muddled period of co-habitation between a centre-right president and a majority left-wing parliament and government. But it would also serve the party quite well to have a half-dozen members in the national assembly. The suspicion within FN ranks is that Mr Le Pen detested the idea of such a parliamentary group, led by Mr Mégret, which might progressively marginalise him.

Mr Le Pen is a keen yachtsman. One observer of the FN said he was behaving like a sailor: "To avoid being demasted, he's reducing sail."

significant shorts

Albanian parties finally agree election rules

Albania's political parties have agreed to go ahead with the general election called for 29 June following a deal reconciling President Sali Berisha's Democratic Party and the opposition, after intense international pressure. The opposition parties agreed to recognise the electoral law steam-rollered through parliament by the Democratic Party last week. In return, President Berisha agreed to relinquish his right to nominate the country's local and national electoral commissions – a major concession since the overwhelming presence of Democratic Party officials at polling stations in last year's elections was a major cause of vote-rigging. Responsibility for the commissions will now rest with the all-party national unity government.

Franz Vranitzky, the international envoy who helped broker the 11th-hour deal, said yesterday the parties had also agreed on equal access to the media. **Andrew Gumbel**

Congo opposition demands role

The opposition in the Democratic Republic of Congo campaigned for a role in the new government, promised by self-proclaimed president Laurent Kabila. Student supporters of opposition leader Etienne Tshisekedi threatened to take to the streets by Monday if their hero is not named prime minister.

As part of moves to choose his new team, Mr Kabila arranged a meeting with Mr Tshisekedi, who has an army of fanatical supporters in the slums of Kinshasa.

Hundreds have been camping in solidarity outside Mr Tshisekedi's home. Their leaders worked the crowd to a frenzy with speeches, reminding Mr Kabila that their own campaign paved the way for last Saturday's overthrow of dictator Mobutu Sese Seko by Mr Kabila's alliance forces. **Reuters – Kinshasa**

Swiss denies prolonging war

Switzerland yesterday denied that its business deals with Nazi Germany prolonged the Second World War.

In response to a critical US report this month, the Swiss government acknowledged some "questionable deals" with the Axis powers. But it rejected portrayal of neutral Switzerland as "bankers to the Nazis" and said there was no need to reopen a post-war treaty on the return of looted gold bought from Hitler's Germany. **Reuters – Berne**

The ploy of sex

Chinese researchers are racking their brains to make endangered giant pandas enjoy and engage in sex.

"Researchers are studying techniques of enhancing the sexual desire and performance [of pandas]," Xinhua news agency said. **Reuters – Peking**

Electricians arrested over Venice opera fire

Andrew Gumbel
Rome

More than 15 months after La Fenice, the Venice opera house, was reduced to a smouldering wreck, prosecutors have concluded that the fire was started deliberately by the owners of an electrical company more concerned about their own balance sheet than the fate of one of the city's architectural jewels.

Magistrates yesterday ordered the arrest of two men, Massimiliano Marchetti and Enrico Carella, both working for a small family firm hired to rewire La Fenice as part of a major restoration programme.

According to judicial sources, the Carella company was at least two months behind schedule and risked incurring heavy fines

from the city council. The prosecution believes the company preferred to destroy La Fenice altogether rather than risk its own livelihood.

Prosecutors have suspected arson for some time, although until recently they were speculating that the fire might have been the work of an organised crime group. A number of basic safety rules had been violated, and none of the opera house's fire alarms or sprinklers managed to work once the fire began raging.

Marchetti and Carella told magistrates that they had left the building at 8.30 on the night of the fire, but other witnesses saw them leaving half an hour later.

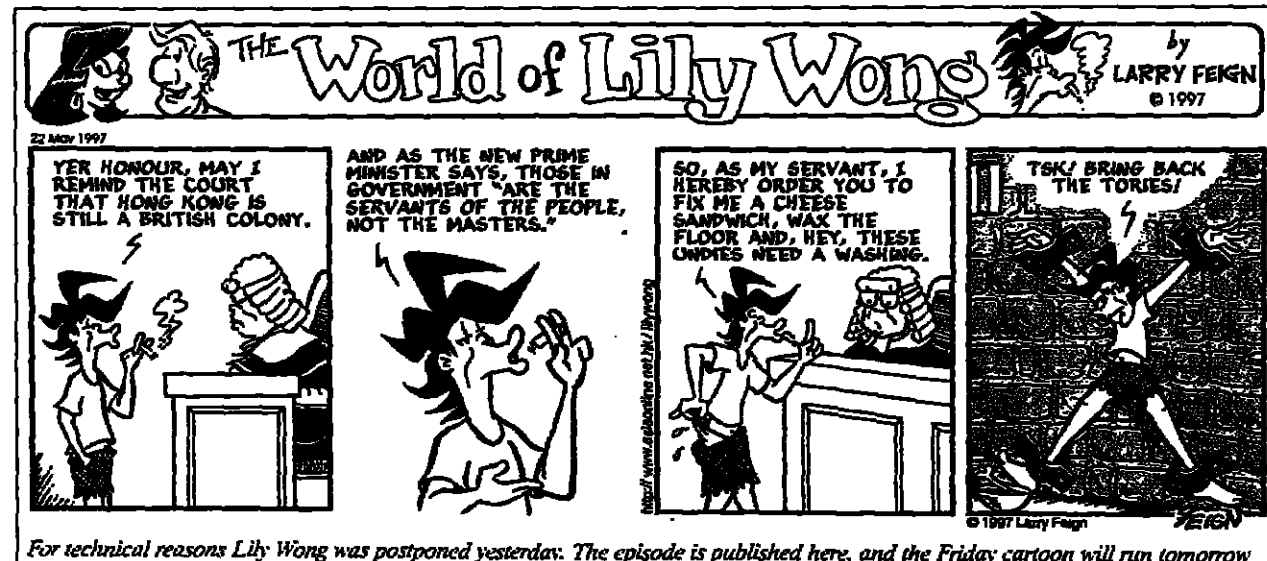
That missing half-hour was crucial to the sequence of

events, but according to the two men's lawyers the discrepancy was far from concrete evidence of their clients' guilt.

"The prosecution's case is one big logical hypothesis, with nothing solid behind it," one lawyer told reporters.

Fires have a nasty habit of breaking out in prestigious buildings in Italy just as restoration work is reaching its conclusion. Last month, the chapel containing the Turin Shroud was ravaged by flames at the end of a two-year restoration programme.

In 1991 the Petruzzelli theatre in Bari, in southern Italy, met a similar fate – an affair now believed to have been inspired by intrigues in the local worlds of politics and organised crime.



For technical reasons Lily Wong was postponed yesterday. The episode is published here, and the Friday cartoon will run tomorrow

East German jobs pledge

Imre Karacs
Bonn

Trade unions, government and business leaders came together in Berlin yesterday to relaunch east Germany's faltering economy, pledging to create 100,000 new jobs every year.

Returning to the region he once promised to transform into a "blossoming landscape", Chancellor Helmut Kohl spoke this time modestly of a fresh start. "This is an important day for the New Länder and Berlin," he told reporters as he outlined the new strategy.

Unlike the billions sunk into the former Communist east in the seven years since unification, new investment would aim to regenerate industry, rather than fuel the boom in empty offices and trendy shops. The government will provide grants for the manufacturing sector, subsidising up to 10 per cent of the cost of new equipment, and up to 20 per cent in the case of small and medium-sized firms.

In return for continued public commitment, the east's business sector promises to spend more on training workers, and to support local industry by ordering local goods. The unions complete the new deal by pledging moderate wage claims.

Although average productivity in the east is only half of western levels, eastern wages now match those in the west in many sectors, whilst unemployment, at 17.5 per cent, is nearly twice the western rate.

To economists, those statistics need no explaining, but the unions had never before accepted the argument that high wage levels might cause unemployment. Their U-turn will have repercussions for the rest of the country, in industries crip-

pled by the world's highest labour costs.

"This is a good signal for the development of east Germany, for the future of the whole of Germany as a place to do business, and also a clear signal of readiness to co-operate," Mr Kohl said, fixing his eyes on the union bosses who had flown from the west to sign the pact.

Dieter Schulte, head of the German Federation of Trade Unions, said: "Many people in the east feel like second class citizens. The goal of all these measures is to improve and equalise living standards."

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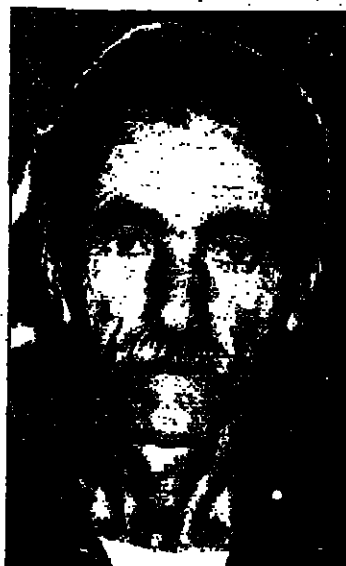
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هذا من الامم

Faces of resistance behind the wire



Mustapha Hammoud, Hizbollah member serving 25 years in Ashkelon prison, Israel, for attacking Israeli occupation troops in southern Lebanon. Has served nine years of a sentence handed down at military court in Lod



Mohamed Ahmed el-Nayerat, aged 70, serving a life sentence for killing a Jewish settler. Has spent the past 30 years in Ashkelon prison



Youssef Farouk Alladin, a 28-year-old Fatah member, was sentenced to 25 years after his capture during a failed boat attack off southern Lebanon



Ali Belhas, from Siddiqin, southern Lebanon, a Hizbollah member captured during an attack on Israeli occupation troops in southern Lebanon. Sentenced to life imprisonment, he has served four years



Zohair Karam, 26, a Palestinian from a refugee camp in Tripoli, sentenced to life for trying to penetrate the Israeli occupation zone in southern Lebanon, en route to an attack in Israel. He has served six years.



Qasem Hassan Sulleman, 26, a Palestinian from Ein el-Helweh camp in Lebanon, sentenced to 20 years for trying to penetrate Israeli occupied zone in southern Lebanon en route to attack in Israel. Has served six years.



Jamal Mahroum, a Lebanese guerrilla, poses with an unsuspecting British tourist in front of the Wailing Wall, Jerusalem, a day before he was captured with a car-load of PLO weapons by Israeli troops. He spent 11 years in Israeli jails.

A snapshot of life inside the secret world of Israel's Palestinian prisons

Some of them are smiling confidently, others stare hopelessly into the camera lens, men like 70-year-old Palestinian Mohamed Ahmed el-Nayerat, sentenced to life imprisonment for killing a Jewish settler and burying his body in concrete. He worked for the Popular Front for Liberation of Palestine and has spent 30 years in Israel's prisons. His features seem dead, those of a man who knows he will never leave jail alive.

Some are younger, like 30-year-old Hizbollah member Ali Belhas, sentenced to life for attacking Israel's occupation forces inside southern Lebanon; he has spent just four years in the high security Ashkelon prison in central Israel, fitted out with a false leg to take the place of the one he lost when an Israeli helicopter pilot fired several bullets into his foot as he tried to rescue a wounded fellow guerrilla. He may smile jauntily for his relatives back home in the south Lebanese village of Siddiqin but he has carefully hidden his false leg from the camera. More than 30 members of his family were slaughtered last year when Israel bombed the United Nations base at Qana, in which they had sought protection.

The inmates' photographs – a rare look into the secret world of Israel's prisons – were sent to families in Jordan and Lebanon, along with letters carried by the International Red Cross. Israel forbids the men to be photographed in their regulation prison uniforms and prison walls must not appear in the snapshots. So the lifers of Ashkelon pose for their relatives in T-shirts and jeans, the walls behind them draped in flower-patterned carpets or sheets, looking for all the world – some of them – like guest workers or young men posing for pre-marriage snapshots. But the only marriage in Ashkelon is the men's allegiance to the militia groups of which they remain members, their "officers" still giving orders to Hizbollah men and members



They have murdered and run guns, but some are in jail illegally and their political organisation continues, writes **Robert Fisk** in Beirut

of Fatah and the PFLP within Israel's top security jail.

A few have fallen foul of their own comrades. Qasem Sulleman, a 26-year-old Palestinian sentenced to 20 years for trying to attack Israel's occupation zone in southern Lebanon, was brutally beaten by Fatah prisoners when his brother – one of Yasser Arafat's Palestine Liberation Organisation officers in the Ein el-Helweh refugee camp in Lebanon – abandoned Mr Arafat's cause for the Hizbollah's protection. Sulleman, who appears in his snapshot with a cigarette in his hand, has since moved to cells occupied by members of the radical Palestinian Islamic Jihad movement.

Belhas is not the only prisoner with a missing leg. Youssef Farouk Alladin, a 28-year-old Palestinian from Jordan, lost his foot after he was wounded by another machine-gun-firing Israeli helicopter. Spotted as he tried to sail down the Lebanese coast near the Israeli border, he landed his boat near the UN headquarters, taking several

troops hostage. One of them died in the ensuing Israeli attack. Alladin was luckier; he lived to be sentenced to 25 years in prison.

Ahmed Sami Ismail of the Lebanese Communist party has only 12 of his 20-year sentence to endure; he was captured as he tried to kidnap Israeli soldiers from southern Lebanon. Mustapha Hammoud – pictured like a Hizbollah "martyr" with a circle of yellow flowers around his head – has served nine years of a 25-year sentence for attacking Israeli occupation soldiers.

Nor are all these sentences legal under international law – which permits armed resistance to foreign occupation, a category into which most of the Hizbollah prisoners fall. The men captured in Lebanon were taken across the Israeli border to be sentenced before Israeli military courts, in violation of the Geneva conventions. Even inside their jail, they have gone on hunger strike for improvements in their conditions, including the right to have

photographs taken of themselves after Israeli prison guards imposed a five-year ban on snapshots. The pictures of prisoners from Lebanon are paid for by the Red Cross – Palestinian inmates from the West Bank and Gaza must ask their families to pay – but more than photographs are being sent out of Ashkelon.

Jamal Mahroum, who spent 11 years in Israeli jails – including Ashkelon – for PLO gun-running in the West Bank, now helps to run an ex-prisoners committee in Lebanon.

"We've just had a note from one of the men in Ashkelon that two Lebanese prisoners there are being used as spies by the Israelis," he says. "So I'm going to see their families in Lebanon this weekend. I'll tell them that relatives of prisoners are entitled to be paid by our organisation and then I'll gently let them know that their sons are working for the Israelis. If I find that the families have been allowed to visit their sons in Israel, we'll know for sure they are spies. But we think that if the parents can be persuaded to tell their sons to stop spying on the other prisoners, then the boys will stop. We can get the parents' message to Ashkelon." Stool-pigeons – the prisoners call them *asfawarat* (birds) in Arabic – are forgiven by fellow inmates if they publicly repent in front of their comrades.

Jamal Mahroum has reason to feel strongly about spies in the ranks. He was captured by Israeli undercover troops in 1983 after being betrayed by a Palestinian near Ramallah. Just a day before – while his car-load of guns was parked a few metres away – he had posed for a snapshot at the Wailing Wall in Jerusalem along with an unsuspecting British tourist. Today, it has pride of place in his scrapbook, a gun-runner who does not even know the name of the woman standing beside him – who in turn has no idea that the man next to her, in this most holy of Jewish places, is moving weapons for the PLO.

Israel's new UN ambassador

As relations between Israel and the US turn sour, Benjamin Netanyahu, the Israeli prime minister, has appointed Dore Gold, his foreign policy adviser, to be the Israeli ambassador to the UN in New York, a post he himself used to launch his political career, writes Patrick Cockburn.

Dr Gold, 43, is an assertive academic with an American background who has advised Mr Netanyahu about foreign policy, but has made only limited contributions of his own towards the formation of Israeli foreign policy. He will be replaced by Uzi Arad, the head of research in Mossad, the Israeli foreign intelligence organisation.

Mr Netanyahu had been criticised for not appointing a permanent Israeli ambassador to the UN, a post which has very high visibility in the US, for almost a year. Filling foreign posts is proving difficult for the prime minister because he wants to give promotion to his own men and to circumvent David Levy, the Foreign Minister and an old political rival.

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Christopher Bellamy
Defence Correspondent

Indonesia will be the first acid test of the new Foreign Secretary's "ethical" foreign policy, with human rights at its heart. But there are plenty more challenges ahead. The British arms industry's single biggest customer is Saudi Arabia, whose human rights record is questionable. The Middle East and North Africa, an area of instability, is the largest buyer of British arms. In 1995, Britain sold \$912m worth of arms there, as against \$517m to Nato and western European countries, and \$441m to Asia and the Far East.

The Saferworld foundation, an independent think-tank, yesterday said that, besides Indonesia, three middle eastern states - Saudi Arabia, Oman and the United Arab Emirates, would be on their list of undesirable. Elsewhere in the world, they cited India and Pakistan, because of the dispute over Kashmir and because both have developed, or are developing, ballistic missiles and weapons of mass destruction. Other countries with bad human rights records are Malaysia and Britain's Nato ally, Turkey.

According to the Stockholm International Peace Research Institute, Britain exported \$716m (£436m) worth of arms to Saudi Arabia between 1992 and 1996, compared with \$603m to Malaysia, \$521m to Oman, \$515m to Pakistan, \$489m to UAE, \$374m to India and \$318m to Indonesia.

The Middle East illustrates the fickle nature of the foreign policy guidelines that surround arms sales. Libya, Iran and Iraq have all been cultivated as strategic allies by the West,

and yet they are now regarded as major threats.

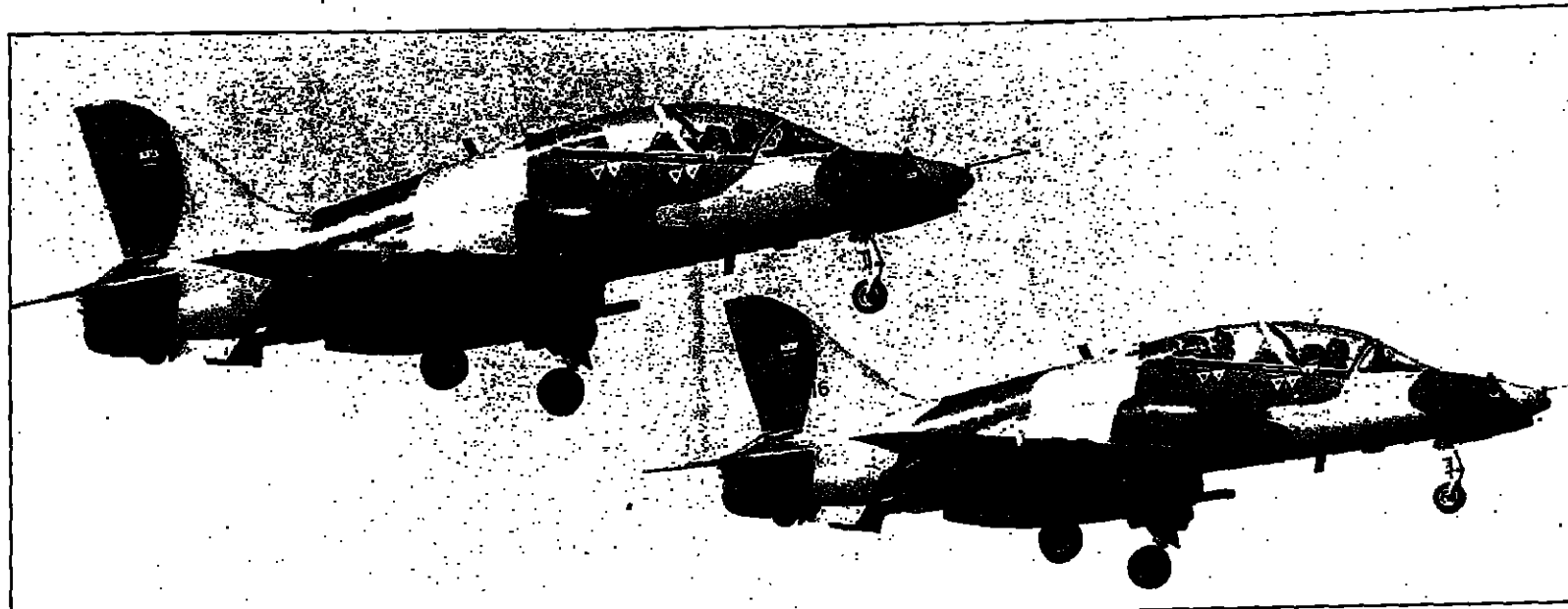
Saudi Arabia is entering an uncertain period. Prince Abdullah bin Abdul Aziz, the new ruler, is 72 and not in the best of health. Tensions between Islamic fundamentalists and the educated middle classes are increasing. Its human rights record is well-known. Saudi Arabia has bought British Hawk jets and Hawk aircraft as part of the £20bn Al-Yamamah arms-for-oil deal.

The British government will need to decide whether it will restrict the sale only of equipment likely to be used for internal repression, as the last government did, or whether it will refuse export licences for any arms to countries with poor human rights records.

In 1995 a television investigation revealed that British Aerospace had been involved in the sale of 8,000 electric shock batons to Saudi Arabia. The batons inflict pain using a brief 40,000 volt shock. Because the batons were not made in the UK, the sale was not illegal.

The ban on sales of arms which might be used for repression has not, so far, affected sales of major conventional arms which clearly cannot be. There has been a European Union embargo on arms sales to China since the 1989 Tiananmen Square massacre, but each country is allowed to interpret this as it thinks fit. Last year, GEC-Marconi and Racal-Thorn were allowed to sell maritime and airborne radars to China. In a deal negotiated last summer, Racal agreed to supply six to eight of its Searchwater surveillance radars to the Chinese navy.

Turkey is another country



Made in Britain: Hawk jets were among the \$716m worth of arms exports to Saudi Arabia, where internal tensions are increasing

with a questionable human rights record, and its continuing conflict with Kurdish separatists makes it difficult to distinguish between equipment for "internal repression" and

conventional military operations. Amnesty International has referred to "gross human rights violations" in south-east Turkey.

"The human rights picture in

Turkey is bleak", it said in a report last year. "The 1990s have seen the emergence of 'disappearances' and extrajudicial executions."

Turkey's position as a mem-

ber of Nato would make it difficult to ban sales. Recently, Vickers, the Newcastle-based company which builds Britain's Challenger battle tanks, launched a campaign to win a

£30m order for 800 Desert Challenger tanks, to be built in Turkey. Vickers was keen to win the order after Britain in effect abandoned an ambitious attempt to sell Saudi Arabia an

entire armoured brigade, worth £3.5bn. It is believed the Saudi anger over the presence in London of the dissident Muhammad al-Masari was a setback to the armoured brigade sale.

British involvement with countries that have a poor human rights record is not limited to equipment. Exactly a year ago, Britain signed an agreement with the UAE to provide troops for its defence in exchange for massive arms orders totalling more than £2bn, including cruise missiles. Although the agreement stops short of a firm guarantee to defend the UAE if attacked, it provides for joint planning to enable a rapid reaction force to deploy to the Gulf.

Malaysia is also a big customer, but its human rights record is poor. The 1996 Amnesty International yearbook reported that at least 46 people had died in detention camps for illegal immigrants since 1993. Executions, floggings and detention without trial are common.



Introducing the Volvo V40. It's roomy, like the big estates. (There's 50 cubic feet of luggage space, and you can even fold the front passenger seat flat.) It's safe, like the big estates. (The V40 has SIPS with side airbags, driver's airbag and ABS brakes.) It's even surprisingly quick, just like the big estates (0-62 takes just 9.3 seconds in the 16 valve 2 litre model.) But the V40 has one thing the big estates don't have. Curves. The Italians, who know a thing or two about car design, recently voted it 'the most beautiful estate in the world'. And who are we to argue? The V40 from Volvo. It's smaller, but it's perfectly formed. From £15,620 to £19,920 on the road. Or from £290 per month via Volvo Contract Hire. VOLVO. A CAR YOU CAN BELIEVE IN.

UK ARMS EXPORTS TO INDONESIA

Licences granted, 1993-1997

Class	Issued 1993	Issued 1994	Issued 1995	Issued 1st 6 months 1996	Issued 1st 6 months 1997
Small arms, machine-guns and accessories	2	4	3		
Large calibre armaments such as guns, mortars	2	5	2	2	
Ammunition and components	12	3	3		1
Bombs, torpedoes, rockets, missiles, mines etc	10	3	1		
Fire control equip, (sights, range-finding equipment, etc.)	5	6	7	1	1
Military vehicles, such as tanks, APC's and components	2	4	14	3	7
Toxicological agents, riot control agents, and related equipment		1		2	
Military explosives and propellants	1	2			
Combat vessels	2	4			1
Aircraft and aircraft equipment and components	7	10	9	18	13
Electronic equipment for military use	24	22	18	6	9
Armoured or protective goods, inc. helmets and body armour	1	1	3	2	6
Equipment	6	4	8	2	
Military imaging equipment	6	1	9	4	
Equipment and technology for production of military purposes	2				
Software specially designed for military purposes			1	2	2
Explosive handling devices		1	7	1	1
Equipment specially designed for the development or use of military goods				2	
Technology applicable to the development or use of goods	1	2	4		
TOTAL NUMBER	83	73	88	43	41

Licences Refused

Class	1 January 1996 to 30 June 1996	1 July 1996 to 18 March 1997
Small arms, including rifles, carbines, pistols, weapons specially designed for military use	2	
Ammunition and components		1
Bombs, torpedoes, rockets, missiles, mines etc		1
Telescopic sights for firearms		1
Smooth-bore weapons	1	

Offices: Department of Trade and Industry, Export Licences issued in 1996; Department of Trade and Industry, Export Licences issued in 1994; Department of Trade and Industry, Export Licences issued in 1995; House of Commons Debates, Written Answer, 21 March 1997.

FILE SHOWN AUTOMATICALLY READING 1996 "CONTRACT" ARE MONTHLY RATE EXCLUDES VAT AND C. £450 ON 3 YEARS / 60,000 MILES WITH MAINTENANCE CONTRACT FOR BUSINESS USERS ONLY FULL WRITTEN DETAILS FROM VOLVO CAR FINANCE LTD, GLOUCE PRAIRIE, MANCHESTER, M13 9PL. VOLVO CAR FINANCE LTD, GLOUCE PRAIRIE, MANCHESTER, M13 9PL. VOLVO CAR FINANCE LTD, GLOUCE PRAIRIE, MANCHESTER, M13 9PL.

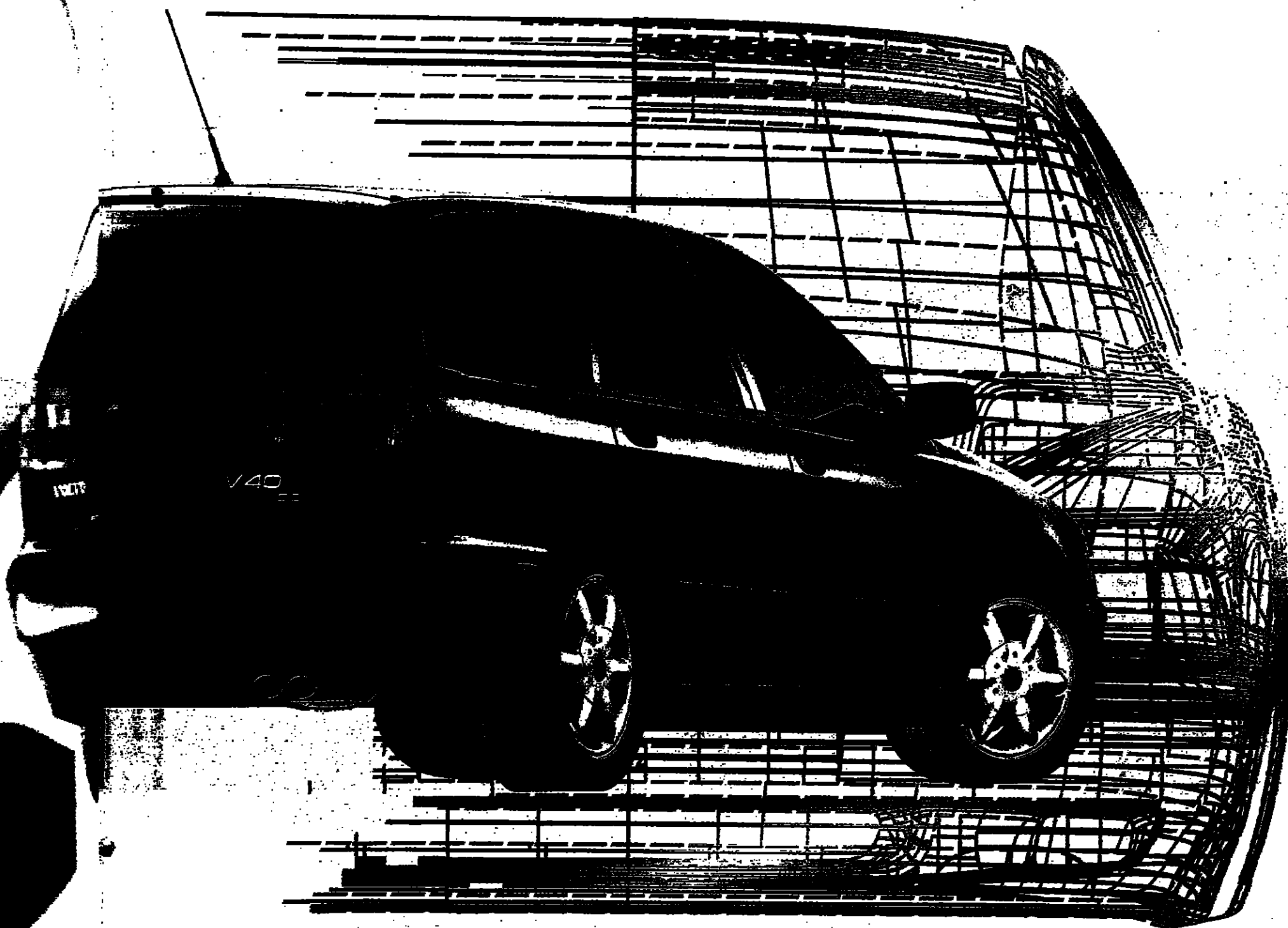
هكذا من الامم

profits a question of conscience



Democratic rites: A policeman restraining Muslim girls waving PPP flags during an election rally outside Jakarta mosque on Wednesday, following riots on Tuesday in which police dispersed demonstrators with water cannons. Photographs: AP

IT'S BUILT ALONG THE SAME LINES AS OUR BIG ESTATES.
BUT WITHOUT ALL THE STRAIGHT LINES.



VOLVO
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British water cannons used on marchers

Richard Lloyd Parry
Jakarta

British Tactical armoured personnel carriers and water cannons were used to break up an election march in Jakarta this week, in an incident which will draw renewed attention to the export of British defence equipment to the regime of President Suharto.

At least one person was shot dead during the street battle on Tuesday between Indonesian police and youths demonstrating in support of the United Development Party (PPP) in advance of next week's general elections. Tactics, manufactured by the British firm GKN, were also used in Jakarta last summer in even bigger pro-democracy riots, but this is the first time they have been photographed in action against Indonesian civilians.

British arms exports to Indonesia include Scorpion tanks, Hawk fighter jets, and frigates, as well as armoured cars and armoured personnel carriers (APCs). Successive British governments have faced allegations that they have been used in human rights violations, particularly in East Timor where there have been persistent but unconfirmed reports that Hawks have been used against independence fighters.

The Indonesian government has given formal assurances that British equipment will not be used to suppress human rights, but these guarantees do not apply to Tactics, which are designed for crowd control and not considered "defence equipment". After huge riots last July in support of the ousted democracy leader Megawati Sukarnoputri, however, the Indonesian Ambassador to London was summoned to the Foreign Office and warned that "inappropriate" use of APCs to suppress rights of peaceful assembly and expression would be frowned upon.

Tuesday's confrontation, between 1,000 armed police and some 10,000 supporters of the PPP, was far from peaceful – but in a pseudo-democracy like Indonesia, where dissidence is stamped out, and where President Suharto's ruling party has already announced the exact proportion of the vote it expects to poll (70.2 per cent), crude mob violence has become increasingly prevalent and is one of the few means of expressing political frustration.

After similar violent clashes last weekend, the leaders of the PPP, which draws its support from Indonesia's majority Muslim population, cancelled Tuesday's planned rally. By 1pm on Tuesday, however, large numbers of its supporters had turned up in Warung Buncit Raya, a six-lane main road linking Jakarta with its southern suburbs, through an area inhabited by many PPP supporters.

The demonstrators, many of them teenagers, set fire to tyres in the street and tore down a fence, according to eyewitnesses

interviewed by *The Independent*. The police, armed with semi-automatic rifles, fired warning shots into the air and it was at this point, according to witnesses, that the demonstrators began throwing stones.

The police ordered demonstrators to disperse and counter-attacked with tear gas. Police fired their rifles into the crowd several times and Adam Khaeruddin, a 20-year-old bystander, was shot dead.

At about 4.30pm at least two Tactics arrived on the scene from the north of the city. Film shot by Associated Press Television shows them spraying water cannons over the crowd, apparently in an attempt to clear the streets before the evening rush hour.

Police quoted in the *Jakarta Post* claimed that 21 people had been arrested, but witnesses said that more than 50 had been taken away. The election campaign has been a focus of sporadic violence nationwide: on Tuesday there were violent disturbances in several other Indonesian cities, including



President Suharto: Regime of 31 years under threat

Bandung, Semarang and Pekalongan, all on Java.

Since the pro-democracy riots last summer, it has been clear that the biggest threat to the 31-year old government of President Suharto comes not from without, but from its own people: there can be little doubt that vehicles like the Tactics will become an increasingly crucial component of the regime's armoury. In the last 10 months, there have been church burnings by Muslim mobs in Java, and massacres of settlers by tribesmen in Kalimantan on Borneo. The official reckoning of the Indonesian Armed Forces is that over 600 people have been killed or injured in incidents connected to the election campaign, since it began on 27 April.

Last year, student riots in Ujung Pandang on Sulawesi were put down with Saracens, an armoured car which, along with Salafins and Ferret Scouts, were obtained from Britain in the 1960s. Scorpion light tanks are deployed in Java, and the Indonesian navy has a number of British frigates. British Aerospace Hawk fighters, deployed on Sumatra, Kalimantan and Java, were sold as trainers, but rumours suggest they have been used against rebels fighting Indonesia's 21-year old occupation of East Timor.

MAIN ARMS EXPORTERS TO INDONESIA (US\$M)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	Total
FRG	9	25	23	23	38	23	328	788	406	342	1583
UK	226	117			24	36	24	24	48	186	685
USA	14	14	120	177	10					6	341
NL	53	158	91	18							318
France	17	17					17		3	3	57
Spain	5	5	10	10	10	10					50
UAE									26		26
Totals	324	334	244	228	82	89	367	792	483	537	3480

obituaries / gazette

Dr Noel Browne

Noel Browne's place in Irish history is inextricably bound up with one infamous political conviction, his bitterly opposed post-war plan for a state-run health service, the Mother and Child Scheme. Its lingering wound has left demarcation lines in Ireland's domestic politics for almost five decades.

Browne had qualified in medicine at Trinity College Dublin (his first post was at St Stephen's Hospital in the city). His mission on entering politics as a member of the radical left-leaning Clann na Poblachta party in 1948 was deeply marked by the experiences of his poverty-stricken family, which was ravaged by tuberculosis, rife in Ireland until the Fifties. He suffered badly from the disease, diagnosed in both lungs in 1939, but survived. His father and two of his seven siblings did not.

Browne senior, an inspector with the National Society for Prevention of Cruelty to Children, moved from Waterford to Londonderry and Athlone in the Irish midlands. He died when Noel was seven, leaving Noel's mother, Mary Therese, with a large family to rear in deprived conditions. She herself died two years later, leaving her children to be fostered out.

The scars left by this fuelled the young man's political objectives in public health, as the country's most urgent need when he joined reformer republicans in the reforming Clann na Poblachta party in the mid-Forties.

His campaigning for an urgent anti-tuberculosis programme propelled him into the post of health minister when the new party, led by Sean McBride, joined the inter-party coalition led by Fine Gael in government in 1948. Though just 32, he was a crusading and dynamic innovator, using hospital sweepstakes funding (ticket revenues came from the US and Britain as well as Ireland) to fund a network of sanatoria to exploit the possibilities opened by the arrival of BCG vaccine. He also set up the first Irish national blood transfusion service.

Admirers say his freshness to politics helped him break new ground. But fellow ministers reportedly found him penitent, unwilling to listen, and convinced he was always right. There was probably some truth in both.

Browne, taking up proposals first mapped out by the previous Fianna Fáil government, aimed to tackle unacceptable levels of child mortality by bringing in free ante- and post-natal care for mothers and extending free health treatment for all children under 16 with-

out a means test. But he found himself up against a powerful opposition that spanned GPs concerned their incomes might be threatened, and colleagues in government who in turn were probably under pressure from lay Catholic elements.

He had failed to prepare the ground with the Cabinet, who were unaware of the details of the scheme when it was launched in March 1951. He had also made the mistake of thinking that, after meeting with senior Catholic clergy in October 1950, their concerns had all been assuaged. Far from declaring war on the Church, however, he was intent on accommodating it and thought he was operating within the parameters of what it would accept.

Some believe that doctors were behind the drawing of bishops into the row, while John Charles McQuaid, the powerful Archbishop of Dublin, was himself a doctor's son with strong views about the status of the profession. When their views were invited the bishops avoided stating whether the plan was at odds with Catholic morality but denounced it as at variance with the Church's social teaching.

At the root of their opposition was the perception that Browne's scheme would open the way to liberal family planning and contraception. Taoiseach John A. Costello and McBride had in the meantime come to dislike their abrasive health minister and opposition leaders suspected they were only too glad to hasten his exit, forcing him to resign on 11 April 1951. He was followed out in sympathy by two fellow MPs.

The actual demise of the weakened coalition in the general election of May 1951 was not decided by the Mother and Child Scheme, however, but by the desertion of rural Independents over its failure to raise the price of milk.

But McBride's mishandling of the health affair effectively ended his own political amb-



Browne: political gypsy
Photograph: Eamonn Farrell

itions and, some argue, closed off the opening to the left in Irish politics for more than 20 years.

Afterwards Browne became an isolated embittered figure, a political gypsy, in the historian John A. Murphy's words, "moving from party to party that would restore his dream of creating a socially just Ireland".

After leaving government Browne took care of patients in a TB sanatorium in County Wicklow. He had spells in Fingona, founded a short-lived group called the National Progressive Democrats in 1958, spent some years in Labour before forming a now defunct hard-left party, the Socialist Labour Party, after moving from south Dublin to the more working-class north-side suburb of Artan in the mid-Seventies. After retiring to Connemara in County Galway he published a moving account of his family's tragedies and his own career, *Against the Tide*, in 1986.

Among his burning concerns was what he saw as the cynical Irish establishment acceptance of mass emigration. This elicited a late reminder of his caustic invective last year. After Mary Robinson's 1990 election as state President, she placed a symbolic lamp in the window of her official residence as a reminder of all of those forced to leave Ireland to seek work.

Accusing her of being part of a comfortable elite, he said her "fatuous, low-watt, low-powered, cheapest-available, warmly welcoming electrical candle brought no comfort to our diaspora". Speaking after one of his daughters returned overseas after a Christmas visit, he said, "I have very personal knowledge of emigration. My mother and seven of her children emigrated. My brother died in a workhouse and my mother was buried in a pauper's grave."

"We Irish have the second-highest ethnic group in 'Cardboard City' in London. We are in the prisons, the jails, the mental hospitals, the alcoholic wards, the brothels, the kitchens of cheap-labour hotels, the building sites, the dole queues, the squalid rows of the world, too poor to come home for Christmas."

Alan Murdoch

Noel Browne, politician and psychiatrist; born Waterford 20 December 1915; TD (MP) (Clann na Poblachta) for Dublin South-East 1945-51, (Independent) 1951-54, 1957-65, 1969-73 (Socialist Labour Party) for Dublin North-Central 1981-82; Minister for Health 1948-51; married 1944 Phyllis Harrison (two daughters); died Galway 22 May 1997.



Memorial to a rich plebeian culture: Frow in 1975, in the midst of the 10,000 items he and his wife Ruth built up into the Working Class Movement Library. Photograph: MEN

Edmund Frow

Edmund Frow will best be remembered as the founder, with his wife, Ruth, of the Working Class Movement Library.

As with all the great historical libraries, the past is everywhere palpable in the Frows' famous collections of radical literature and in the banners, emblems, squibs and broadsheets that jostle for space on every wall. What has made the library special, though, is the Frows themselves: informed, engaged and in Edmund's case, embodying a sizeable chunk of working-class history in his own person.

Edmund Frow was born to Lincolnshire farming stock in 1906, an auspicious year of Conservative electoral humiliation. The usual palliatives of Liberal or Labour governments did not, however, hold much attraction for Frow as he finished his schooling against a backdrop of European revolutionary upheaval. Serving his time as a toolmaker in Wakefield, the restless youngster mingled readily with older socialists but found himself drawn by the bolder course of Bolshevism.

In March 1924, after reading Lenin's book *State and Revolution* (1917), he joined the infant Communist Party and was to remain a member until the bitter

factional conflicts of the 1980s. Moving across the Pennines, he rapidly made his mark on the party in Lancashire and in 1930, still only 24, was sent to Moscow to sit on a British commission of the Communist International.

Although a highly skilled worker - "a time-served craftsman" - he later recalled with mock snobbery - it was inevitable that so conspicuous a rebel would find work elusive in those years of mass unemployment. Frow became active in the Salford unemployed workers' movement. In October 1931, he received both a broken nose and five-month prison sentence for his role in one tempestuous demonstration, quickly dubbed "the Battle of Bexley Square".

The episode provided a climactic for Walter Greenwood's 1933 novel *Love on the Dole*. Frow himself figured as "a finely featured young man... heaping invective upon all with whom he dissociated himself in the social scale". In later years, he may perhaps have lost a little of his youthful intransigence, but never the passion for social justice that underlay it.

With the beginnings of economic recovery in the 'mid-1930s, Frow resumed work in the engineering industry and until his

retirement in 1971, his main activities were focused on his trade union, the Amalgamated Engineering Union. As a shop floor activist, a shop stewards' convenor, an AEU national committee and TUC delegate and eventually a full-time union district secretary, there was little in the world of engineering trade unionism with which he did not become acquainted. As a succession of oral historians can testify, few could expound as lucidly as he on the dynamics and constraints of industrial militancy.

Always, whatever else he was doing, there were books, more books and a fervour for working-class education. As early as his teens, already secretary to Wakefield Labour College, Frow had begun wrestling with the new world of Marxist ideas, Lenin's *Materialism and Empirio-criticism* (1908) causing him a particularly furrowed brow. Increasingly, though, it was British radical history that occupied his thoughts. On meeting Ruth, his wife-to-be, in the 1950s, they eyed up each other's bookshelves and their meeting of minds and spirits seemed almost pre-ordained: a memorable partnership was established.

These were the days before E.P. Thompson's *The Making of*

the English Working Class (1963) and the academic vogue for labour history. Trailing round England with a tent, later a caravan, the Frows were thus able to scour bookshops countrywide for the bargains that radical literature then provided. By the late 1960s their book-lined house in Old Trafford was acquiring a semi-legendary status, encouraging the further building up of their collections through donations and bequests. Many distinguished historians will have warm memories of the library, but there wasn't a student, political activist or trade union branch that didn't receive exactly the same welcome. In the library itself, now housed and maintained by Salford City Council, and in the inestimable Ruth Frow, that tradition lives on.

Edmund, even more than Ruth, was a bibliomaniac. If the library had some 10,000 items, it nevertheless seemed impossible to identify the one that he could not track down immediately and tell you everything about. When Salford took over the collections in 1987, the biggest challenge for the new librarian, Alain Kahan, was how to get this encyclopaedic knowledge down on paper. Mean-

while, the Frows turned increasingly to their own publications and the wide range of enthusiasms they revealed: Chartism, Feminism, syndicalism, republicanism, nearly all, in fact, of the "isms" that have challenged the existing political order over the last 200 years.

Eddie Frow remained to the end the most invigorating company, declaiming Shelley, evoking Tom Mann, bounding after pamphlets two stairs at a time or just sharing his abundant knowledge and intellectual curiosity. To be left breathless halfway up a Welsh hill was, for younger companions, both chastening and heart-warming. With Frow's death, we lost one of the last and finest representatives of an extraordinary generation of working-class autodidacts and agitators. His library survives as a memorial both to the man himself and to the rich plebeian culture which produced him.

Kevin Morgan

Stephen Edmund Frow, tool maker, trade unionist and bibliophile; born Harrington, Lincolnshire 5 June 1906; married 1st Marjorie Sherwood (one son; marriage dissolved), 2nd 1960 Ruth Haines (née Engel); died Salford 15 May 1997.

Philip Brady

Philip Brady's scholarly record was by any standards impressive; he published prolifically and for over 30 years taught German at Birkbeck College, London, since 1980 as Reader in German. But he will be remembered above all as a man who knew how to communicate his love for his subject and its importance to the contemporary world.

Over the last 20 years Brady broadcast almost every month on the BBC German and World Service as well as for British radio. He broadcast to Germany on the cultural significance of Marmite, lawnmowers, and the Tottenham Court Road; and to Britain on the importance of Wurst. Among his more serious achievements in the medium (one to which he was outstandingly well suited) are radio talks on writers ranging from Gunter Grass, Hans Mag-

nus Enzensberger and Wolf Biermann to Jurek Becker, Ingemar Bachmann and Stefan Heym; on composers such as Mahler and Brahms; and on the baroque poet Hans Sachs. Most recently he broadcast a series of lectures on the Romanticist Strasse; on nationalistic prejudice and its origins; on Paul Celan and Heidegger.

Equally important was the work he undertook in close co-operation with the London Goethe Institute, in inviting German writers to London and introducing their work; chairing panel discussions on German cultural themes; reviewing German books and exhibitions of German painting. He delighted in accepting invitations to lecture throughout the German speaking world, and in his recent invitation to become part of the Anglo-German Forum.

He was a staunch supporter, too, of the Germanic Institute of London University, whose meetings with graduate students he regularly hosted and attended. For him, a federal university was more than an administrative arrangement or an assembly of isolated scholars; an idea which became increasingly important to him the more its material basis was eroded.

Born in Lancashire in 1932, Philip Brady attended Bolton Grammar School and went up to Emmanuel College, Cambridge, in 1951, where he was taught by Freddy and Elisabeth Stopp, two of the leading Germanists of their day. Graduating in 1956 with first class Honours in German and French, he proceeded to take a Cambridge doctorate, also under the supervision of Freddy Stopp, on "Doom and Judge-



Brady: manifest integrity

ment in German Writing from 1550 to 1620". After a brief period as a schoolmaster at Latimer Upper School, Hammersmith, and a temporary appointment at Westfield College, London, he was appointed in 1960 to a lectureship at Birk-

beck College, where his whole academic career was spent and to which he had a strong and constant loyalty.

Brady's academic forte lay in two periods of German literature rarely combined in the work of a single scholar: the 17th-century Baroque, especially its sermons, and post-war German writing, which in his case meant the German literature being written and read as he himself studied it.

He wrote on topics as varied as Grimmelshausen; the *Ars Moriendi*; the social context of 17th-century German rhetoric; the Marxist reception of Goethe; alienation and illusion in Brecht's drama; sexual politics in the work of Gunter Grass; and the most recent productions of the Prenzlauer Berg group of writers in post-unification Berlin. It is no accident that the

two modern German writers who most interested him - Brecht and Grass - had literary and historical antecedents in the German Baroque.

Many of his activities were undertaken in the debilitating and sometimes painful circumstances of his final illness. It is thus entirely fitting that his receipt of the Goethe Medal of the Goethe Institute - a distinction held by very few British Germanists and awarded especially for work in intercultural communication - was the crown of his career. The citation for the award, which highlights both the intellectual integrity and the personal enthusiasm with which Brady did that work, is his fitting academic epitaph.

Both qualities found a fitting expression in his work as a teacher at Birkbeck. For him, one of the most important tasks

of university teaching, especially in adult education, was to enable people to recognise and to overcome national and cultural prejudice: a commitment which is now more relevant than ever to German Studies. Both the style and the content of his teaching, which never allowed his students or his colleagues to forget that literature is a humane conversation, were ideally suited to Birkbeck, whose students frequently brought both a belief in the human relevance of their studies and a need to see that belief sustained in the teaching they received.

Philip Brady was a person of manifest integrity and transparent goodness: a person who enriched the lives of others often without knowing it. His integrity, like his humour, could be challenging, even disturbing, never malicious or inhumane.

He hated only pretence, bullying, and dishonesty.

He shared with his wife Christine and his family, who shouldered the burden of care in the last months, both a very close relationship and a devotion to shared beliefs and shared interests: humanistic values and a love of simple things like walking, cycling, music, the company of friends. He delighted in a son and daughter-in-law who followed him into the academic profession, and with similarly exciting and eclectic interests.

John Walker

Philip Valentine Brady, German scholar; born Bolton 6 May 1932; Lecturer in German, Birkbeck College, London 1960-80; Reader 1980-97; married 1961 Jane White (died 1985; one son), 1990 Christine Huber (died London 15 May 1997).

Births, Marriages & Deaths

MEMORIAL SERVICES

BARRINGTON: Rutland, Served as captain of the 1st Battalion, The Buffs, 1945-46. Memorial service, 23 May 1997, Central Hall, 11.30am. The Gilbert and Sullivan Society, 0181-474 0855.

IN MEMORIAM

DOWLAND: David, 6/12/30-23/5/91. With love, Josephine. SHEEHAN: Kevin, of Crawley, The truth is simply this, that you were likeable, popular and are now deeply missed by all who knew you. SHEEHAN: Kevin, 23 May 1990. "He died who loved to live."

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Memorial services, Wedding announcements, In Memoriam) must be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5DL, telephoned to 0171-233 2011 (24-hour answering machine 0171-233 2012) or faxed to 0171-233 2010, and are charged at £6.50 a line (VAT extra).

ROYAL ENGAGEMENTS

The Queen, accompanied by The Duke of Edinburgh, visits Tynes and Wear.

Changing of the Guard

The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 11.30am. Foot Guards, Scots Guards, mounds the Queen's Guard, at Buckingham Palace, 11.30am, hand received by the Grenadier Guards.

Birthdays

Sir Kenneth Allen, engineer, 90; Sir David Barran, former chairman, Midland Bank, 85; Mrs Juliet Campbell, Mistress of Girton College, Cambridge, 62; Sir Matthew Campbell, former senior civil servant, 90; Sir Hugh Casson, former President of the Royal Academy, 87; Miss Joan Collins, actress, 64; Sir Samuel Curran, former Vice-Chancellor, Strathclyde University, 85; Sir Nigel Davenport, actor and trade unionist, 69; The Very Rev John Drury, Dean of Christ Church, Oxford, 61; Dr Walter Ellis, former Chief Economic Adviser to the President of the Board of Trade, 64; Miss Betty Garrett, actress, 78; Mr Malcolm Gill, head, Banking Department, Bank for International Settlements, 63; Mr Marcus Goring, actor, 85; Lord Grenfell, former Senior Adviser, European Office, World Bank, 62; Mr Graeme Hick, cricketer, 31; Mr Anatoly Karpov, chess player, 46; Sir Peter Kellett, former prime minister, 81; Solomon Islands, 54; Sir James Lester, former MP, 65; Sir John Lyons, Master of Trinity Hall, Cambridge, 65; Mr Humphrey Lyttelton, jazz musician, 76; Mr Michael McCrum, former Master of Corpus Christi, Cambridge, 73; Mr John Newcombe, tennis player, 53; Mr Peter Preston, former editor-in-chief, and chairman, the Guardian and the Observer, 59; Mr Robert Sangster, machine owner and breeder, 61; Mr Arrie Shaw, clarinetist and band-leader, 87; Mr John Stevens, MEP, 42.

Anniversaries

Births: Elias Ashmole, antiquarian, 1617; Carolus Linnaeus, botanist, 1707; Denis Charles Scott Compton,

author and cricketer, 1918. Deaths: Girolamo Savonarola, priest and reformer, strangled and burnt at the stake 1498; Henrik Johan Ibsen, playwright, 1906; Heinrich Himmler, Nazi leader, committed suicide 1945. Today is the Feast Day of St Albinus, St Desiderius of Vienna, St Euphrosyne of Polotsk, St Guibert, St Ivo of Chartres, St John Baptist de Rossi, St Leonitus of Rostov and St William of Rochester.

Luncheons

The Lord High Commissioner to the General Assembly of the Church of Scotland, Lord Macfarlane of Bearsden, and Lady Macfarlane held a luncheon yesterday at the Palace of Holyroodhouse, Edinburgh. Among those present were:

Sir Donald Macdonald; Mr Angus Groomer; Mr and Mrs Gerald Wilson; The High Commissioner for Lesotho, The Rev and Mrs John Campbell; Mr and Mrs Eric Day; Mr and Mrs James Gordon; Mr and Mrs Magnus Lallier; The Rev and Mrs E.C. McKenna; Mr and Mrs Andrew Walker; Mrs Jeanette Walker; and Mr Stewart Wilson.

Dinners

The Lord High Commissioner to the General Assembly of the Church of Scotland, Lord Macfarlane of Bearsden, and Lady Macfarlane held a dinner yesterday at the Palace of Holyroodhouse, Edinburgh. Among those present were:

The Earl and Countess of Murray; Mr and Mrs Geoffrey Allbutt; Mr Campbell Allbutt; Mr and Mrs Robert Black; Dr and Mrs R.G. Drysdale; Dr and Mrs Riddell; Mr and Mrs Turnbull Haines; Mr and Mrs W.P. Macdonald; Mr and Mrs Donald Ross; Mr and Mrs Alan Walker; Mr and Mrs David Wilson.

Calls to the Bar

Lincoln's Inn: Rosemary Major; Howard Bernard Carey; Robert Mark Entwistle; Joan Gendall; Grant Darren Worsley; Al Mysterion Yuss; Clare Helen Whitbread; Edmund Robert Roy Cooper; Charlotte Sara Downes; Janis Suzanne Tabor; Lucy Jane Murray; Lee Philip Norland; Stuart Peter Magge; Vicky Seidler; Andrew Mark Stone; Timothy John Scher; Paul Andrew Hargrave; Suzanne Jane Anderson; Christopher Douglas Wain; Alan Hagan Usher; Mohammed Azam Ali; Patrick Nuchuan Young; Karam Karim; Sara Zaki; David Marshall Allan; Caroline Louise Brown; Shih Sanzar Sarkar.

Middle Temple: Paul Anthony Stant; Anita Woodhull; Christopher William Bradbury; Lee Anthony Bennett; Luke Francis Brown; Richard Christopher Allcock; Felicity Golebiewski; Susan Jane Francantoni; Daniel Asher Sabin; Adammytho Morayon Kanyon; Mohammed Ashraf Hagee.

Gray's Inn: Stuart James Frame; David How Griffiths; Richard Meach; Richard Daniel Freeman; Lisa Robit; Marjorie Kaur Ramakia; Lut Golebski; Adrian Dilip Mehta; Abdul Kader Muhammad Fakhri Ismail; Peter Stuart John Ruben; David John Chale; Sally Ann Britton.

Synagogue services

Details of synagogue services to be held tomorrow may be obtained by telephoning the following. Sabbath begins in London at 8.45pm.

United Synagogues: 0181-343 8869. Federation of Synagogues: 0181-233 2263. Union of Liberal and Progressive Synagogues: 0171-580 1648. Reform Synagogues of Great Britain: 0181-249 0731. Spanish and Portuguese Jews Congregation: 0171-239 2573. New London Synagogue (Masorti): 0171-328 1026.

Search of correspondence was not illegal

LAW REPORT

23 May 1997

Regina v Governor of Whitehouse Prison; Queen's Bench Divisional Court (Lord Justice Pill, Mr Justice Latham and Mr Justice Auld) 16 May 1997

Instructions authorising prison staff to search, but not read, privileged legal correspondence during cell searches conducted in a prisoner's absence were not ultra vires.

The applicant, a category A prisoner at Whitehouse Prison, sought to quash by way of judicial review instructions issued by the governor of the prison authorising staff to search his confidential legal correspondence in his absence, and sought a declaration that any searching of his legal correspondence might only be done in accordance with rule 37A of the Prison Rules 1964.

Rule 37A limited the circumstances in which correspondence between a prisoner and his legal adviser might be opened, read or stopped, and provided particularly that the prisoner should be given the opportunity to be present when such correspondence was opened, and to be informed if it was to be read or stopped.

Tim Owen (After McKenzie & Co, Escham) for the applicant; Clare

Montgomery QC (Treasury Solicitor) for the respondent.

Lord Justice Pill said that the Woodcock Inquiry into the escape of six prisoners from the special security unit at Whitehouse Prison had expressed concern about the quantity of goods in the possession of prisoners and the procedures followed when cells were searched. Recommendations included searches of cells in the absence of prisoners, to avoid intimidation of staff.

By Governor's Order 36/1995 of 21 June 1995 a "step-by-step" guide for conducting a search of a prisoner's cell was issued. Rule 37A provided that the prisoner should not, under any circumstances, be allowed to remain in the cell during the search, and rule 6 provided that correspondence, particularly that issued under Prison Rule 37A, was to be searched but not read.

The law recognised the importance of the free flow of information between a prisoner and his solicitor about contemplated legal proceedings; see *Camp-*

bell v United Kingdom [1992] ECHR 137, and *R v Secretary of State for the Home Department, ex p Leech* [1994] QB 198.

It was submitted for the applicant that Order 36/1995 conflicted with Prison Rule 37A and was therefore ultra vires. Alternatively, it was submitted that a cell search in the prisoner's absence, which included a search of his legally privileged correspondence, infringed a fundamental right which had been recognised by the courts.

However, Rule 37A was not concerned with cell searches. It might throw light on what procedure was appropriate during the search of the cell, but was not determinative of what was lawful in that context.

The respondent relied upon the need to make effective searches of cells in the interests of security which would necessarily include some examination of documents. The applicant did not fundamentally oppose that need, but submitted that the presence of the prisoner during a search of the documents was the decisive consideration.

On the material before the court, his Lordship did not consider that it was ultra vires the Prison Rules to make provision for searching cells in the absence of prisoners. Appropriate arrangements must, however, be in place to protect the free and frank exchange of information between a prisoner and his legal advisers about contemplated legal proceedings.

His Lordship did not accept that the only way to give effect to legal professional privilege was the presence of the prisoner during a cell search, or that it necessarily provided complete protection.

Order 36/1995 was neither ultra vires nor in the circumstances irrational. Whilst resisting the temptation to suggest precisely how instructions should be worded and enforced, it appeared to his Lordship, in the light of the material before the court, that there might be scope for further consideration of ways in which the prisoner's legal professional privilege could most sensibly be protected and spell out, consistent with security requirements.

The application would be refused.

Kate O'Hanlon, Barrister

مكتبة من الادب

The patient way to a better health service

You couldn't make it up. Hard-faced Thatcherite ideologue advises ministers how to bring in market reforms in the health service, "convinced that we had found the magic formula", until his aged father-in-law gets chest pains, starts babbling and goes to hospital. There he enters a Kafkaesque world of tests and referrals to disconnected units, each oblivious of his history, which fail to diagnose him and he dies. "My faith was misplaced," laments Caines for the internal market. Eric Caines was a director on the NHS Management Executive and an architect of the Conservative government's reforms. Two weeks ago he recanted, in the *New Statesman*. It was an astonishing confession, and an important text for the incoming Labour administration.

Tony Blair and Frank Dobson, his surprise choice as Secretary of State for Health, face a daunting task in meeting people's expectations for the NHS, on the basis of too little hard thinking in opposition. Labour was happy to coast through the election behind the prejudice of the electorate that it was more likely to have the interests of the NHS closer to its heart than the Tory party. But, having helped whip up the wind through 18 years of a Tory government which increased health spending massively, Labour now has to dodge the tornado which is likely to be created when heightened expectations meet rigid spending limits.

Yesterday, Mr Blair played the one card which he clutched through the election campaign, the allocation of savings from "cutting red tape" to cutting waiting lists. As we predicted during the campaign and as we report today, much of this transfer of funds is being done with mirrors. There simply is no "paper chase" of unnecessary invoices in the health service. Labour is now on the more realistic – and more difficult – territory of comparing administrative budgets and trying to get the worst down to the level of the best. Mr Blair and Mr Dobson find themselves rapidly transported to the heart of the problem. They can only abolish the new systems of internal accounting if they scrap the separation of the health service into purchasers and providers. This they do not want to do, because splitting the two functions is efficient. The truth is that, before the Tory reforms, the health service was woefully under-managed. That had the advantage of being cheap, but it meant that provision was patchy and unfair because no one knew what the NHS actually did, and it relied on goodwill and idealism to work at all.

However, as the case of Mr Caines' father-in-law rather dramatically illustrates, the Tory reforms quickly lost sight of their purpose, which was to raise standards of care. The problem is only partly that there are too many bureaucrats in the health service; the bigger problem is that they are the wrong sort

of bureaucrats, who indulge in too much managing for the sake of managing. The consequence is that there is no pot of gold for the new government to plunder, and so Mr Dobson is in at the deep end, trying to answer more fundamental questions of NHS organisation.

Mr Caines now believes that the power relationships in the NHS need to be "drastically readjusted" in favour of patient advocates, usually GPs. His recommendation is debased coinage, of course, but he happens to be right. The real problem is that health managers are too hung up on indicators and structures, such as "treatment episodes" and wait-

ing lists, rather than seeing things from the patient's point of view. "The glaringly obvious problem was that nobody was in overall charge of the case," says Mr Caines. "My father-in-law was, in effect, treated as a number of patients, each presenting different problems and requiring different solutions."

What the health service needs, then, is effective case management. Many of the common grievances against the NHS are caused by bad management aimed at maximising throughput: operations cancelled at the last minute, trolleys in corridors, being pushed from pillar to post. Case management aimed at

making patients feel better (not just physically) might use doctors and beds less effectively but might produce better long-run outcomes.

Here some of Labour's instincts pull in the wrong direction. It means ruthless redeployment of staff, but Mr Dobson went coyly Old Labour when challenged over job losses yesterday (in other words, he avoided accepting that job losses must be borne). It means direct accountability to patients, not loose talk of appointing local councillors to health authorities (although perhaps there could be experiments with directly-elected chief executives). And it means focusing on what the NHS should do and leaving other functions, notably long-term care of the elderly, to other agencies; by contrast, one of Labour's first moves was to widen the NHS's remit to public health.

Then, although the NHS probably needs more resources, the Government should not make an early decision to increase general funding. Yesterday's announcement of new resources specifically for breast cancer may draw funds from equally important priorities, but such step-by-step targeted increases are the correct approach while the service works out how to ensure increased funding will feed through to better services. When the constraints of Tory spending limits are lifted in 1999, the NHS must be ready to make its case for more money from a patient's-eye view.

Meanwhile, we should not underestimate the importance of Labour's rhetorical offensive. Part of the NHS's problem, as Enoch Powell realised as long ago as 1962, is that all who work for it have an incentive to do it down, so that the public thinks it is in crisis even if their experiences of it are favourable. Perhaps the relief with which Mr Dobson has been received by health staff will do wonders for public perceptions of the health service. But will making doctors and nurses feel loved be enough to get Labour through the next two years? Not likely.



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Sweet talk that rots the teeth

After tobacco and alcopops, perhaps the next drug on which Lord Protector Blair could practise his skill for banning things is sugar. Nearly half of all claims for food and drink to be "sugar free" are false, according to research. The marketing of children's consumables is a disgrace, with lists of ingredients including "sucrose" (sugar), "glucose syrup" (sugar), "fructose" (sugar) and "concentrated fruit juices" (sugar), and just as bad for the teeth). Sell junk by all means, but let us call spades spades and junk, junk.

LETTERS TO THE EDITOR

Now is the time to cut fossil fuels

Sir: It is welcome that the new government has determined to "put concern for the environment at the heart of policy making, so that it is not an add-on extra, but informs the whole of government, from housing and energy policy through to global warming and international agreements", and that it is to be a central aim of foreign policy for Britain to give leadership on environmental matters.

In one month's time, world leaders will meet to discuss the environment for the first time since the Rio de Janeiro "Earth Summit" of 1992. From 23 to 27 June Tony Blair and other leaders will gather in New York for an environmental special session of the UN General Assembly, to review Rio's progress and plan action into the next century.

Five years ago in Rio, Britain signed the Framework Convention on Climate Change. Since 1995, climate change has been deemed "discernible" by scientists of the Intergovernmental Panel on Climate Change, and Britain's current thought focuses minds on what the future may hold.

At the "climate summit" in Kyoto this December, the immediate priority will be to achieve legally binding reduction targets for carbon dioxide and other greenhouse gases. The UK government is relatively progressive, with its domestic target of a 20 per cent cut by 2010 on 1990 levels, although we all believe this should be achieved by 2005 at the latest to have a significant impact. The objective of the Climate Convention is to constrain climate change to rates and limits allowing "ecosystems to adapt naturally". Scientists advising the UN have proposed criteria for a lower, safer limit, which include a maximum 1 degree Celsius rise above pre-industrial levels and an higher, less safe limit of 2 degrees.

Governments should now use these limits to plan the future permissible global use of fossil fuels. Such a task is long overdue because the existing reserves of fossil fuels – such as oil, coal and gas – will, when burnt, produce at least twice as much carbon dioxide as even the upper limit can tolerate. A negotiated "carbon budget" is required, and reliance on fossil fuels must be phased out in an orderly way.

Industrial nations cannot credibly continue to expand production and use of fossil fuels – the principal source of climate-changing pollution – and at the same time advocate reducing carbon-dioxide emissions. Energy prices should also reflect the environmental cost of energy production and use, through instruments such as carbon and energy taxes. Efficiency and renewables must receive the incentives they require to succeed.

The timescale to complete such action will be a number of decades but a start must be made now, taking advantage of the political opportunities of 1997.

CHRIS ROSE
Deputy Executive Director
Greenpeace UK
CHARLES SECRETT
Director, Friends of the Earth
England, Wales, Northern Ireland
BARBARA YOUNG
Chief Executive, Royal Society for the Protection of Birds
ROBIN FELLOW
Director, WWF-UK
SIMON LYSTER
Director General, The Wildlife Trusts
KEVIN DUNION
Director, FoE Scotland
London N1



Children hooked on alcopops

Sir: Having spent the last six months researching the impact of alcopops on the drinking habits of children we must take issue with your leading article of 20 May.

As we revealed in our Channel 4 documentary on 15 May, there can be no doubt that very young children, thousands of whom end up unconscious through drink in hospital casualty departments every year, are easily influenced recipients of the alcopop marketing message.

It is complacent in the extreme to argue that "a product engineered to look and taste like carbonated sweet drinks does nothing, in itself, to predispose children to defy their parents or abandon their own sense of right". Alcopops are drunk regularly by children as young as eight or nine. How well developed is their "sense of right"?

These drinks are marketed with imagery familiar to young children. Alcopops are advertised on television during the late afternoon/early evening, breaking the drinks industry's self-imposed ban.

Alcopops are a cynical attempt by the drinks industry to mask the bitterness of alcohol and get kids hooked young. They must go. RHONDA EVANS
HARVEY WOOLFE
Evans Woolfe Ltd
Twickenham, Middlesex

Sir: In his otherwise very sensible letter about alcopops (21 May) Professor Graham offers the wrong solution to the problem of alcohol abuse. He states as a fact that the level of abuse is closely related to the total level of consumption. This

is actually a controversial theory, which was dismissed by the Inter-Departmental Working Group that proposed the revised sensible drinking limits at the end of 1995 (*Sensible Drinking*, sections 6.1 and 9.4).

Professor Graham then goes on to suggest that increasing taxes in order to reduce consumption would help to reduce alcohol abuse. The evidence does not support this argument. Increasing taxes in the UK would simply lead to an increase in the smuggling of drinks from lower-taxed countries on the continent. It is already believed that cross-channel imports account for 15 per cent of UK drinks consumption.

The European Union country with the highest alcohol taxes is Sweden, where smuggling and domestically distilled moonshine are estimated to account for anything up to 50 per cent of total consumption (*Wine & Spirit*, March 1997, pp 21-2). Sweden is also a country where, because of the high cost of alcoholic drinks, they tend to be consumed only rarely, at weekends or on holidays, and in binges – a case of high taxes exacerbating alcohol abuse. ANDREW BARR
London NW6

Sir: With the introduction of alcoholic milk to the drinks market, are we to presume that the "alcopops" companies have sunk to a new low? That is, the cynical targeting of cats and babies. DOMINIC GRACE
Leeds

Clarke's sound legacy to Brown

Sir: So Gordon Brown thinks that his predecessor's economic assumptions, set out in last year's Budget Red Book, may have been too optimistic. He has asked the Comptroller and Auditor General to review them to see if "the books were cooked by the Tories" ("Treasury ordered to open its books", 20 May).

The fact is, however, that two of Kenneth Clarke's central forecasts have already proved overly cautious. First, the budget deficit for 1996-97 has come in at £3.4bn lower than Mr Clarke's £26.5bn prediction (which was in turn a more optimistic forecast than the Treasury's own internal view at the time). The PSBR for the current year now shows every sign of continuing to close more rapidly than expected.

Second, unemployment was predicted to fall to 1.6 million within three years, but has actually done so in six months.

As to the suggestion you report that the 2.5 per cent trend rate of growth assumed in the Budget cannot be sustained "over the rest of the 1990s", of course only time will tell. However, the Red Book makes it clear that this assumption is "similar to the average growth rate achieved over the postwar period". The average of the GDP growth predictions by the panel of independent forecasters, at the time of the last Budget, was 3.4, 3.0 and 2.6 per cent for the three

calendar years 1997-99. So the then Chancellor's forecast can hardly be described as wildly out of line with orthodox opinion.

As Shadow Chancellor, Mr Brown's own predictions – over the future path of unemployment and inflation, for example – proved consistently inaccurate. As Chancellor, let us hope his own track record does not fall foul of future audits by the Comptroller and Auditor General. ANTHONY TEASDALE
London SW3

The writer was special adviser to the Chancellor of the Exchequer, 1996-97.

Limits on safety of the tunnel

Sir: The letters about the safety of the Channel Tunnel from Alan Beard and Richard Hope (17 and 19 May) prompt me to point out a fundamental truth. There is no such thing as absolute safety and safety is always, without exception, compromised by commercial considerations. I write as a civil engineer who has been responsible for the design of numerous structures which, if they were to fail, would put the public at risk.

Risk must be assessed and balanced against commercial considerations. That is one of the functions of the engineer. To paraphrase the old American definition: an engineer does for 50 cents what any fool can do for a dollar. It would, for instance, be

possible to reduce the risk of a loaded 747 crashing on to a populated area by closing Heathrow and building a new airport elsewhere – but who would be prepared to pay?

The fire in November 1996 was almost a worst-case situation, with a highly flammable cargo producing toxic fumes, but in spite of procedural problems no lives were lost. Compare this with the record of the ferries and only then decide where any money might best be spent on safety improvements. H J WARD
Howard Ward Associates
Radcliffe on Trent, Nottingham

Sinn Fein shuns Commons seats

Sir: Messrs Adams and McGuinness (letters, 16, 19 May) were elected to the Commons on the understanding by their supporters that they would not be taking their seats, in accordance with the "republican" article of faith known as abstentionism, which for many years was applied both to the Dublin Dail and Westminster. Sinn Fein regarded both parliaments as illegitimate institutions and for over 60 years did not take up the (few) seats won in the Dail.

There was no question of swearing allegiance to the Crown in the Dail and it is clearly wrong to base the Westminster argument purely on that aspect of the process of becoming an MP. Would they have taken the seats if the UK was a republic? No. DAVID WILLIAMS
Solihull, West Midlands

Saudis reform trial procedure

Sir: The concentration on the shuffling of the defendants and speculation on possible penalties in media reports on the opening of the trial of the nurses in Saudi Arabia appears to have allowed a remarkable shift in trial procedures to pass unnoticed.

Readers of *The Independent* (Letters, 2 January 1997) will recall our concern with the conduct of any trial according to Saudi custom. Our first anxiety was that the right of the defendants to have a lawyer to speak for them with powers to probe evidence and produce it on their behalf was on all past form unlikely to be granted. We were pleased to note that preliminary reports attributed to defence lawyers indicate that in a radical shift from precedent the Saudi authorities are conducting this trial on a Western adversarial model, with not only the defence and prosecution being represented properly but the victim's family being legally represented as well.

Unfortunately the trial is not being conducted in public, or at least with international observers present. It is hard to understand why a public trial was not provided for, thus completing perhaps the most remarkable transformation of trial procedures we have ever witnessed.

STEPHEN IAKOBI
Director, The Fair Trials Abroad Trust
Richmond, Surrey

'Conquest' of India by English

Sir: The sub-heading "but they are being written in the language of the conqueror" to your otherwise excellent article "The Indian conquest of English" (20 May) is misleading.

The British were careful not to interfere with local customs in the areas they administered in India. They used the court language of Persian in the Nawabate of Bengal and the local languages everywhere. English was only introduced into India in the 19th century by Macaulay when the British Sirkar (government) wished to improve the level of education available at the time.

The schools of the Bengal presidency used either Arabic and Urdu in the Muslim Madrasahs, or Sanskrit in use by the Hindus. Neither language could provide the books needed by the proposed state education service. So English was chosen. It is not really seen as the language of the conqueror. Indeed the British were not at first seen as conquerors at all, but liberators from the disorders of the time.

The Rev PETER M HAWKINS
Peterborough, Cambridgeshire

Kipling, innit

Sir: Kipling, writing in 1909, has "ain't it" used just as "innit" reportedly is used by today's youngsters ("Youth English goes Creole", 17 May). In "The House Surgeon" (*Actions and Reactions*) one character continually uses it in just this curious way: "You might be immune, ain't it?" he says; and "a man ought to be happy after so much expense, ain't it?" The speaker is presented as an ordinary UK inhabitant called L Maxwell M'Leod. PETER W THORPE
Purtonmouth

analysis

The return of Belarus to hardline, Soviet-style government is putting at risk the West's fragile new relationship with its old enemy, writes Phil Reeves in Moscow

It was spring, and time for Alexander Lukashenko to give a television pep talk to his collective farmers before they set out to sow their crops. They had better watch out, the moustachioed leader warned them.

The workshy loafing around the meadows may find themselves looking heavenwards as a whirr of rotor blades announces the arrival of an indignant, airborne president. His helicopter landed "hang over the fields in the air almost every day for surprise trips", he said. Special presidential envoys – more accurately, spies – would be out and about, ready to report wayward farmers to the government's prosecutors. Their punishments, said Mr Lukashenko, himself a former Soviet state farm director, would be the harshest possible: "People are saying, Mr President, give us a dictatorship. Give us Stalin's times."

For those who follow the increasingly dictatorial activities of the president of Belarus, a nation of 10.5 million sandwiched between Russia and Poland, the broadcast was a classic performance, another reminder of a retrograde trend in the ex-Soviet republic that is causing increasing concern in the West, and adding strain to its difficult relationship with Moscow.

On the same day in March, the president took another step in the same direction, by announcing the return of the Soviet practice of the *subbotnik*, unpaid mandatory weekend labour such as street cleaning.



Big Brother on Russia's border

Today, Mr Lukashenko will be in the spotlight again, although in a different role. Assuming no last-minute hitches, he will be at Boris Yeltsin's side in Moscow to sign documents drawing their Slavic nations together.

Emotions in Moscow have been running high. On the one hand, conservative Russians who hanker after the good old days of Soviet power thrill to the notion that at least one component of their shattered empire may be restored, and admire Mr Lukashenko's zeal for *parvados* – order.

On the other, there are many Russians – notably liberals – who balk at the notion of embracing a backward nation with an economy which is even more broken down than their own. They also suspect Mr Lukashenko of wanting, at best,

a bigger role in Moscow politics and, at worst, a shot at the Kremlin's top job. So far, the latter seem to have won the day. But few believe that this will be the end of the Belarusian president's ambitions.

Alexander Lukashenko, 42, has exactly the characteristics that set international alarm bells ringing. He is a charismatic and dynamic speaker, a showman, who enjoys widespread popularity. He is also an erratic, profoundly anti-Western autocrat who is bent on centralising power.

Natalya Shevko, a 33-year-old Belarusian businesswoman, has first-hand experience of this. When Mr Lukashenko came to power in July 1994, she was running a successful financial consultancy in Minsk, with several hundred staff. That has since closed,

forced out of business by the new anti-market government which, she says, carried out 29 inspections in eight months. She has left Belarus, quietly slipping back only occasionally to see her husband and seven-year-old son.

A leading member of the United Citizens' Party, she now works in Moscow, where she is setting up an office for the Belarusian opposition. "I don't want to live in the Soviet Union," she said. "I want to live in a small, European country. In Belarus we understand perfectly well that we are moving closer to Bolshevism and totalitarianism."

She is surprisingly outspoken, given the risks: "I am not afraid that I will become a victim of something. I am afraid for my brother, my mother, my friends. On the other hand, I hate the regime more than I fear it."

International concern about Mr Lukashenko began soon after he was elected, but last November it reached a peak when he forced through a referendum which swept away the vestiges of democracy and accorded him autocratic powers. The result – condemned as a sham by the US and others – allowed him to install a new, two-chamber puppet parliament, to extend his term of office by two years, and to increase his sway over the electoral commission and supreme court. Apart from China and Russia, no major power has

recognised the poll. Independent observers cited hundreds of flaws.

Since then, relations with most of the outside world – with the exception of Moscow – have been extremely frosty. The United States has accused Belarus of an "abysmal" human rights record and cancelled \$40m in aid. In March, it briefly summoned home its ambassador for consultations after Belarus threw out one of its diplomats. This week the rift deepened when the American Soros Foundation, long suspected by Belarus of supporting opposition groups, closed down its office in Minsk after the government seized \$3m of its funds, alleging tax violations.

The US has yet to forget how Belarus shot down an American balloon that strayed over their territory during a competition in 1995, killing its two pilots. Nor have Lukashenko's watchers forgotten his remarks last year when he praised Hitler, albeit guardedly, for bringing unity to Europe, a singular view from the leader of a nation that lost a quarter of its population in the Second World War.

At present, Mr Lukashenko's grasp on power seems to be secure. He is supported by a large, loyal and well armed presidential guard, and has retained a powerful, Soviet-style KGB. Though restricted demonstrations have taken place regularly in Minsk, participants have been fined,

beaten by riot police, and jailed briefly. Opposition leaders complain of harassment, and heavy-handed surveillance.

Mr Lukashenko maintains a throttle on the state-controlled media. The only independent radio station was shut down months ago. Opposition newspapers, usually printed in the Baltics, have been subjected to repeated tax inspections, and freezes on their bank accounts.

Angered by their critical coverage of events in Minsk, the president has also tried to rein in the Russian media, causing rare complaints from Moscow, which is generally uncritical of its small Western cousin. To outsiders, it seems as though Mr Lukashenko is motivated by the same impulse that prompted the sorry crew of hardliners who tried to mount a coup against Mikhail Gorbachev in August 1991 – a determination to restore a Soviet-style command economy, combined with a paternalistic government which favours the elite and keeps the rest of society under its thumb. His critics say that where the plotters failed, he is succeeding.

Plotter-era textbooks have been returned to the classrooms of Belarus. Emphasis has been placed on the Russian, rather than Belarusian, language. The younger generation was, he complained, losing its "moral guidelines".

To the horror of some students, the government has also

announced plans to reintroduce the old Soviet practice under which new graduates are required to work in government jobs for several years. Belarusian students fear they may be dispatched to work as teachers and doctors in the zone affected by the Chernobyl disaster, where – for obvious reasons – there are more jobs than applicants.

"These people have had a free education from the state, so you can argue that they have an obligation to repay that by working for the government," said one Western observer. "But working in the zone is a different issue. What if the government wanted to use it as a punitive measure?"

The first wave of students who could be affected by the order will not leave college until July, and would take up their new posts in the autumn. While Mr Lukashenko remains in office, similar violations of the civil rights of his remarkably passive population seem certain to continue. The West will occasionally protest, but nothing will be done. Yet at least some of the blame lies at their feet.

Today's events in Moscow will be the next step in a complicated and confusing waltz between Belarus and Russia in which both sides are trying to take the lead. Mr Lukashenko is anxious to avoid losing sovereignty, and being turned into a regional Russian governor: at

present, he says his nation will retain its sovereignty and independence. At the same time, he will cherish the thought of one day striding the political stage of a reunited nation, after the remarriage of Russia and Belarus.

But when photographs are beamed around the world today of Mr Lukashenko standing next to Mr Yeltsin, perhaps there will be a twinge of conscience among those who so forcibly argued for the expansion of Nato. They may ask themselves whether the Kremlin would be so chummy with the Belarusian leader, were it not for the alliance's strategy of heading off growth.

Russia has plenty of motives for wanting closer ties with Minsk. Among them is Mr Yeltsin's need for a publicity stunt to appease public opinion and give him the appearance of strength – however bogus – after reluctantly reaching an agreement over Nato expansion earlier this month. Bonding with a Slavic brother fits the bill nicely.

But if the Nato issue had not been there, the picture might have been different: Mr Yeltsin – and his new young reform-minded advisers, Boris Nemtsov and Anatoly Chubais – might just have had another policy. They might have been pressuring their smaller, backward neighbour to get its economy in order, thus forcing Mr Lukashenko to mend at least some of his ways.

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It's not much fun when the good guys win

One of the saddest books I ever read was written by a comedian. It was called *Heartland* and it was by Mort Sahl. Mort Sahl was one of those free-wheeling American comedians who came along at the end of the Fifties and were so relaxed and informal yet sharp that people said they were making it up as they went along. Lenny Bruce, Shelley Berman, Mort Sahl – that generation. Mort Sahl used to bring the day's newspaper on stage and make jokes about news items in it, which is about as topical as you can get, and did suggest indeed that he was making it up as he went along.

(Sahl once made a joke which he claimed was perhaps the first joke ever aimed at philosophy students instead of the general public. He said there had recently been an armed hold-up in a Californian bank in which the masked raider had pushed a note across to the cashier, reading: "I have got a gun. Act normally." The bank cashier had read it and then pushed back another note on which was written: "Define your terms.")

Because Mort Sahl was more politically aware than the other comedians, he delighted more in attacking the establishment of the time, General Eisenhower and all the stuffed shirts of the Fifties. His hero was Jack Kennedy, who represented a breath of fresh air, or would do if he ever got the chance. Well, Jack Kennedy did get the chance: he was elected to be president and the new day dawned and it was the death of Mort Sahl. Suddenly he was on the side of the boys in charge, which is a strange place for a comedian to be, and his career thereafter lost direction, and his humour lost its sharpness.

It got even worse when Kennedy was assassinated because Mort Sahl then became obsessed with finding out the truth about Kennedy's death. No longer was he invited on chat shows or TV shows generally, because instead of being funny, which was what they wanted, he preferred to have a serious talk about the Kennedy assassination. Invitations dried up, which is no doubt why he found time to write the book I



Miles Kingston

mentioned, which is a sad book because he goes on and on about the Kennedy shooting in it, and doesn't say much about humour.

All this has been going through my mind recently because we in Britain, in our own small way, have reached a similar kind of watershed. Whatever else you thought about the Tories, they did make good bad guys, like the last days of the Eisenhower administration. It was easy, almost too easy, to dislike people like Howard and Hamilton and Portillo, and to

feel queasy about the Scott report and the mishandling of the BSE crisis, and – well, you probably still remember it all. But now the good guys have ridden in on their white horses, and this is where comedians can be forgiven for taking a break, or at least for giving them a break. And although the Tories are officially off-stage now, the Tory party has kindly provided a diversion in the shape of their leadership contest, with Widdicombe and Howard slugging it out in one of the nearby booths, and young William Hague managing to look the oldest of all the contestants, which is all good for the gaiety of the nation.

Not all comedians have declared a honeymoon period, of course. The braver ones have taken their stance already. Jeremy Hardy on Radio 4's *The News Quiz* has been taking some hefty swings at Tony Blair since long before the election, as if a comedian's first duty is to attack those in power. That sounds admirable until you realise that it is no better or worse than the idea that an opposition's prime duty is to

oppose. British politics is often criticised for being too confrontational, and it may well be that British comedy is too confrontational as well.

What might be interesting to know now is what kind of books British comedians will be writing when they get to Mort Sahl's age. Always assuming that Tony Blair is not assassinated, and that Jeremy Hardy does not become obsessed with finding out the truth behind it, and that Oliver Stone does not get the film rights – well, my feeling is that comedians are going to get so frustrated at living in a Britain where they approve of the government, or at least more than they approve of the opposition, that they are going to want to get out.

Most of the comedians who can write novels have already written novels, but I don't think any of them has yet written a travel book. *Up the Andes with Jeremy Hardy*... *Down the Irrawaddy with Ben Elton*... *Into Hong Kong as Chris Patten leaves, with Stephen Fry*. Stranger things have happened.

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A good time to help Ashdown and start on PR

Paddy Ashdown has an arresting metaphor to describe the difference between his role as leader of the Liberal Democrats and that of the other party leaders. While his rivals are a pair of heavy-weight wrestlers staggering on until the first man collapses, he is the small but perfectly formed jiu-jitsu expert seeking deftly to turn the huge force of others to his own advantage.

It is attractive as a theory. But how to put it into practice now? The first of May was a triumph for Paddy Ashdown, but not an unalloyed one. If he had lost seats, he would probably no longer be leader. Exceeding his party's wildest expectations by winning 46 seats, he decisively buried that possibility. Yet while the number of seats has more than doubled since the 1992 election, the leverage they give him has, if anything, declined.

On Tuesday the Liberal Democrats voted for the Queen's Speech, helping in the process to deliver what must be the biggest single peace-time majority (270) in a contentious division since the 1951 National Government. That was a sensible gesture, in keeping with Ashdown's policy of constructive opposition, on the one hand, and on Blair's magnanimity in granting him, in the new system of questions to the Prime Minister, a supplementary question on the other. He could easily have found a pretext for voting against it. But if he had, the vote would have demonstrated only the puniness of his party's impact on the remorseless arithmetic of the Blair parliament.

Ashdown's influence in the next five years, in other words, can never, in any foreseeable circumstances, be decisive. But that need not mean it will not exist at all. The psychological weight he carries is this: unlike his Tory counterpart, whoever that turns out to be, the criticisms most open to him to make are ones that cannot fail to appeal to at least some Labour backbenchers. If the Liberal Democrat leader chooses, possibly in the midst of one of those routine winter NHS crises, to attack the Government's insistence on keeping to existing public spending totals for the health service, the Prime Minister can certainly justly remind him that the election results do not suggest some new found willingness to be taxed on the part of the electorate. What is more, this is not a majority that is remotely going to collapse at the first whiff of gunfire: the Parliamentary Labour Party is too disciplined, too conscious of how far it owes its unprecedented size to its leader.

Every politician will tell you that the most effective attack is the one that extracts unspoken assent from your opponents' supporters. It cannot fail to strike a Labour chord if Ashdown attacks the Government on health or education spending and probably on electoral reform as well. More than half the new intake of Labour MPs are supporters of reform. And quite a few of those who are not may come to reflect that a PR list system offers them a better chance of staying in the Commons than defending a slender constituency majority won on the high tide of anti-Conservatism.

So the importance of the Liberal Democrats as potential opponents should not be exaggerated. But it should not be belittled either. And while the Lib Dems' 46 votes will not be pivotal, they are vastly bigger relative to the



Donald Macintyre

His party, initially relieved that voting reform was firmly pledged in the Labour manifesto, is now seriously alarmed

introduced in the 1998-9 session; but the Boundary Commission would need to be stopped fairly quickly from drawing up new Euro-constituencies under the first-past-the-post system.

PR for the Commons, of course, is the big prize, and the Lib Dems' only chance of growth beyond their current numbers depends on it. On the one hand Ashdown himself sees no reason why the promised referendum on electoral reform could not be held as early as next year. On the other there are doubts even among prominent supporters of PR in the Government's ranks whether the process of commission, referendum and legislation will really be completed in time for a new system, if there is one, to be in place by the next general election. Either way, to change the system for the European Parliament in time for 1999 would be an earnest of good intent; and so the Lib Dems reason, a modest help in acclimatising the country to changing the system for the Commons.

It is difficult to see a good reason against it. First, it does not lead inexorably to Commons PR, about which Blair personally may still not have made up his mind. Second there is a reason of low politics for doing it, which is that it will make it a lot easier to explain away mid-term losses of MEPs if they have happened under a new electoral system. Third, it is Labour policy. Fourth, it might allow the Government to run its first tentative experiment in Tory splitting: if Howard, Lilley or Redwood wins the Tory leadership, are the pro-European Tories necessarily going to be happy fighting the European elections on their platform? Fifth it would provide an early and relatively risk-free demonstration that Blair is serious about pluralist politics. And finally, it would make Ashdown a happier man. Which might, in the long run, be well worth doing.

The secret fears of the ME generation

by Suzanne Moore

Tense? Nervous headache? Feel listless, too tired to move? Can't get yourself to work?

Then you are not alone – you are part of the ME generation, the growing ME generation. You are the new plague carriers, though no one as yet is claiming that ME is infectious.

The largest ever study of ME shows that CFS (Chronic Fatigue Syndrome) is responsible for 51 per cent of long-term absence among school-children.

Chronic Fatigue Syndrome is demystifying itself. It is reaching epidemic proportions – no longer the province of the stressed out super-achiever or the driven thirtysomething. It has mutated into an illness that anyone can get, young or old.

Stress, after all, is the late-20th-century affliction. And before you all start writing in to complain that ME is real, and not to be treated as a kind of shirking, let me just say that, yes, I believe it is real. What I fail to understand is why the reality of this illness has to be substantiated by insisting that it is a physical illness. If ME were entirely psychological, would that make it somehow a fake illness? Of course not. It is just that because of our British insistence on the mind/body split it is very important to ME sufferers themselves to prove that what is going on is not all in their heads.

To say something is all in the mind is regarded as an insult: ME sufferers are making it up; they are not properly ill, and not properly deserving of sympathy.

The more we know about the complexity of the relationship between psychology and physiology, the less we should insist on describing illness as belonging purely to one sphere or the other. A more holistic approach is required, though at the moment we are very keen on biological rather than cultural explanations of behaviour. Thus everything from homosexuality to intelligence is put down to nature rather than nurture.

Various explanations are given for the causes of ME, including polluted water, viral infections and physical changes in the brain. The syndrome is not usually diagnosed until the sufferer has been chronically fatigued for more than six months.

Patients often say that their illness is caused by a virus. Doctors are not so sure. ME sufferers have usually at some point confronted a disbelieving doctor. Some even go as far as to suggest that once the symptoms of multiple sclerosis were also deemed to be without an organic basis, and that one day ME will be recognised as a serious disease.

It is not correct, however, to call it a disease. A disease is a manifestation of illness for which there is a medical explanation



People with Chronic Fatigue Syndrome are certainly sick. But why do they insist that their illness is purely physical?

such as a bacterium. Chronic fatigue is a syndrome, in other words, a collection of symptoms for which the cause has not yet been found. The presentation of such symptoms for this syndrome began in the mid-Eighties. Patients turned up in doctors' waiting rooms, often with sore throats and enlarged lymph glands, complaining of feeling tired. Incidentally, the second most common cause of all trips to the doctor is precisely this: feeling tired all the time.

To ask why this syndrome should appear in the mid-Eighties is not to dismiss the distress of its sufferers. But we should remind ourselves that this was also the time when we started to become very scared of viruses. Aids, which also started as a syndrome with an unknown cause, had symptoms that were clearly observable. Unlike ME it also killed people. Viruses, though invisible, got into computers and into our

bodies, and no one could do a damn thing about them. Every infection was viral; anybody could be struck down at any time. The prevailing metaphor was control, yet we could be brought down by a tiny enemy within.

Yuppie flu – as it was once called – appeared alongside Sick Building Syndrome at a time when work became the focus of identity, the supreme demonstration of control. Suddenly there were people too sick to go to work, but they were not lazy or malingering; they had been brought down by an unknown virus that stopped their hectic lifestyles. To read a connection between this new-fangled syndrome and the culture is not to dismiss ME, it is to try to understand where it came from. We accept that certain illnesses belong to certain periods. Right now we are in the midst of another largely hidden epidemic – that of eating disorders. To argue that this

has something to do with an increasingly visual and consumerist culture is not considered to be outrageous.

However, the idea that ME is a late-20th-century form of hysteria is controversial. This is Elaine Showalter's thesis in her book *Hystories: Hysterical Epidemics and Modern Culture* (Picador). ME sufferers seem to share a desire to find an organic basis for their illness. Their self-esteem depends upon it, because psychiatric illness – even depression – is not seen as a proper illness. To say something is "all in the mind"

has connotations of triviality, moral weakness and femininity. The word hysteria itself derives from the Greek word for uterus.

In order to be sick one needs to legitimise one's illness, and that means that a physiological basis is always a better form of legitimisation than a psychological one. Hysteria, according to Showalter, mimics the culturally permissible forms of distress. If in the 19th century repressed emotions returned via hysterical displays of explicit sexuality, what is returning with a vengeance in the late 20th century is something more deeply repressed than sexuality. Now that we must be boundlessly energetic and active, we find ourselves with an epidemic of lethargy.

The story of ME – for epidemics are spread by narratives as well as viruses – needs to spread itself by attracting patients into its community. It needs to be sanctioned by authority figures – sympathetic doctors who agree that this is an organic illness. It needs unhappy, vulnerable patients who would prefer not to see their symptoms as emotional, but as biological and therefore beyond their control. Add to this a supportive cultural environment of pressure groups, and celebrities who also suffer from ME, and you have a full-blown epidemic.

We do not need to worry about whether ME is a real illness or not. It has a devastating effect on people's lives. If more than half the children who stay away from school for long periods claim to have it, then obviously ME exists in some form in the real world. As Dr Simon Wessely, a historian of psychiatry, says, "What lies behind CFS is neither a virus, nor psychiatry, but our idea of what constitutes a real illness, what doesn't, and what we do to make something real."

Some doctors believe that CFS should be treated by physicians rather than psychiatrists in order to maintain the patient's self-respect. They understand that such patients may have a stake in seeing their illness as a viral condition. They are also prepared to accept that there is a viral trigger involved.

Yet as long as we live in a culture that does not respect the psychological, emotional or circumstantial causes of illness, then we will carry on looking for viruses, real or imaginary, to explain why so many of us feel so sick and tired of life. Will that make us any better?

More talent, more hostility

To the tabloids they're 'Blair's babes' – but women MPs have real skills to offer, says Fran Abrams

Even the press rat-pack agreed it was a glorious sight: 101 Labour women MPs posing ecstatically with the Prime Minister in the sunshine, days after their victory.

But as the party celebrated not only its biggest landslide but also the election of the largest ever body of women to the house, the shadows were already beginning to gather. Now the newcomers are realising that their arrival in Westminster is only the beginning of their battle for full membership of the political elite.

These women have led councils, run trades unions, launched national magazines and directed think-tanks. Among them are two former mayors – Claire Ward, the member for Watford, and Laura Moffatt (Crawley) and Scotland's most senior woman QC, Lynda Clark. Neil Kinnock's former press secretary, Patricia Hewitt, is the member for Leicester East and the former head of John Prescott's office, Rosie Winterton, sits for Doncaster Central. Others have worked as teachers, lawyers, economists, social workers and nurses.

In the euphoria that swept through Labour after 1 May, it was possible to believe that

these talents and skills would be fully recognised. To hope, at least, that they would not end by being corralled into the tight parliamentary pigeonholes women occupied in the past.

(Ann Widdecombe, the former Home Office minister, will hardly be surprised to hear that she is placed by many men around Westminster in the "sad, ugly spinster" category, though Dawn Primarolo, the Financial Secretary to the Treasury, and Baroness Symons, Foreign Office minister, might be startled to learn that they are regarded in the press gallery and elsewhere as "babes".)

The eyes of the world's media have been turned upon "Blair's Babes" and not all of the attention has been friendly. First Ann Keen, the new Labour MP for Brentford and Isleworth, came to *The Independent* with a story about how she had been reunited with her adopted son. She had felt forced to go public because of repeated phone calls on behalf of a tabloid newspaper.

On the same day, *The Sun's* editor, Stuart Higgins, was talking about the phone-in line his paper had opened on the new Labour women. He had asked: "Did you go to school with a Blair Lady?" and had elicited



Achievers' army: the victorious line-up with Tony Blair

only one call. But the question he really wanted to ask, he said, was: "Did you have a fling with a Blair babe?" "We have been actively trying to dig up sleaze on Labour for 17 years. The fact is, there wasn't any," he explained ruefully.

His colleagues continue to dig, though. One woman fighting a marginal Conservative seat discovered that she had been followed for weeks by reporters working for a tabloid newspaper. She thought she was going to be the victim of a fabricated gay smear. "I only found out when I was phoned by one of my opponents who

had been approached and asked if it was true that I was a lesbian," she said. "They had been sitting outside my house watching who went in or out."

But even if it had been true, what was the story going to achieve? Was the paper hoping to expose a coven of superdykes who were planning to sweep through the palace of Westminster? Was Labour's stance on family values to be questioned on the strength of one woman's sexual preferences? Or would the effect have been simply to have ended the career of someone who had spent years building

an impressive public profile?

Others have similar tales. One says she faced repeated questioning about why her daughter had a different surname. The straightforward answer was that although she was married she had not chosen to take her husband's name.

But would single motherhood really have rendered her unfit to be an MP? Another single thirty-something felt compelled to begin every speech during the election campaign with the words: "For those of you who are interested, no I'm not married and I don't have any children. For those of you who are really interested, that's because no one has ever asked me."

Another of Labour's new MPs was branded by her female Tory opponent as having "no commitment to family life" after she revealed that she wanted children but could not have them because she was infertile.

That unhealthy interest misses the point, and allows the nation to blind itself to the fact that those women have much, much more to offer.

When Mo Mowlam became Secretary of State for Northern Ireland, for example, what did the press want to know? Was it interested in how she was going

to restart the peace process or was it really more keen to talk about how she had put on weight as a result of treatment for a brain tumour?

That phenomenon is not an entirely pointless one, of course, nor is it surprising. As ever, the conservative forces in politics are not going to go down without a fight. If those women can be belittled, reduced to nothing more than a gaggle of ludicrous lovelies and sad fates, they will have been reduced to easily containable categories. If that happens, the huge wave of new women MPs who have already changed dramatically the atmosphere in the House of Commons will have been diminished in their power to effect change beyond it.

Instead of being a force for reform and renewal, they will become simply a gang of girls who can safely be ignored.

If that is allowed to happen, British politics will remain an intrinsically male domain, a male domain with a little more colour, perhaps – a place where there are some welcome distractions from the sea of grey that still dominates the scene. But a place where all the old conventions and prejudices can continue to hold sway. And who needs that?

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Beckett overrules OFT on National Express

Randeep Ramesh
Transport Correspondent

The new Government flexed its regulatory muscles yesterday by overruling the Director General of Fair Trading and referring the acquisition of two rail franchises by National Express.

The referrals are the first indication of the approach Margaret Beckett, the President of the Board of Trade, will take to competition policy. Her tough

action took the industry by surprise and may bode ominously for other mergers awaiting clearance, including the British Airways-American Airlines alliance, the Bass takeover of Carlsberg Tetterley and the P&O-Stena cross-Channel ferry merger.

In referring the two National Express acquisitions, Mrs Beckett overruled John Bridgeman, the Director General of Fair Trading.

He advised that neither the takeover of ScotRail, the train company that runs services

north of the border, nor that of Central, a franchise which ferries passengers around the West Midlands, should be sent to the MMC.

However, Mrs Beckett said that in the case of Central she had decided there were competitive concerns "that warranted a thorough investigation by the MMC". The Office of Fair Trading also advised her that the ScotRail acquisition should be referred only if National Express did not divest itself of its coach company Scottish Citylink.

Both were rejected by Mrs Beckett, who referred the deals directly to the competition authority. The takeovers, according to the Secretary of State, raised "serious competition concerns in the market for the supply of public transport passenger services".

North of the border, ScotRail operates all local and commuter services, although not daytime InterCity trains, over a 1,880-mile network. But the company also runs Scottish Citylink, one of the largest coach companies.

In many instances, both rail and train divisions run rival services. For example, between Glasgow and Inverness Citylink runs eight coaches a day. ScotRail runs three trains on the same route. The company also operates 80 per cent of bus services in the West Midlands as well providing many of the railway commuter services in the area.

The action was described by National Express as disappointing. "In the case of ScotRail we could have said yes we accept the point about divest-

ment or we might have disagreed and then gone to the MMC. We are puzzled why we were not consulted," said Colin Child, finance director of National Express.

If it comes down to a choice between buses and trains, the decision will not be a difficult one to make. The coach services in Scotland, according to Mr Child, contribute somewhere "in the order of £10m" to the group's total sales. ScotRail passenger revenue topped £117m last year and will receive, over seven years, more than £1.6bn.

The Secretary of State's moves are not without precedent. Stagecoach, which has a 20 per cent share of the Scottish bus market, was told that it would face an automatic referral if it won the ScotRail franchise.

National Express's vast coach network and its large rail division, with annual revenues greater than £350m, have seen the company already tangled with the OFT. Last year, the company's involvement in both coach and rail services on the London to East Midlands/

South Yorkshire corridor would, according to the OFT, lead to "a significant loss of competition".

Meanwhile, National Express yesterday announced it had agreed a £38m order for new trains on Midland Mainline which will enable it to extend its seven-year franchise on the route to 10 years. The state-of-the-art diesel units are being built in Derby by trainmakers Adtranz and will double the frequency of service on most routes when they come into service in summer 1999.

Boeing rejects Europe's complaints on £8bn merger

Michael Harrison

Boeing yesterday rejected the European Commission's objections to its £14bn (£8.6bn) merger with the rival US aircraft manufacturer, McDonnell Douglas, saying it remained confident that the deal would be completed this summer.

The company was responding after the EU Commissioner for Competition, Karel Van Miert, issued a formal statement of objections to the planned merger.

The 40-page document objects to the deal on several grounds, mainly concerned with the commercial power the merged group would have to dictate terms to airline customers and disadvantage its European rival Airbus Industrie.

Although Boeing would emerge with a smaller share of the world market than it enjoyed even 10 years ago, it would account for 84 per cent of all aircraft in service.

Mr Van Miert is particularly concerned about the exclusive long-term supply deals Boeing has struck with two US airlines, American and Delta. It is about to sign a similar agreement with Continental.

Observers on both sides of the Atlantic fear that the stand-off could escalate into a serious trade dispute between the Clinton administration and Brussels if the EU attempts to stop the merger or take punitive measures against Boeing.

Phil Condit, chairman of Boeing, said it would continue to work with the EU "to help

the Commission better understand" the issues involved. But he added: "The US Federal Trade Commission should be given the lead in this case as it so obviously concerns key US interests, not the least of which is the sovereign area of defence."

Mr Condit said that on the fundamental anti-trust issue of whether the merger would restrict competition the answer was a resounding no. Last year, he said McDonnell Douglas accounted for only 4 per cent of airliner sales while Airbus had become a stronger competitor.

It has also emerged, however, that Brussels is using its opposition to the deal in an attempt to re-open a bilateral agreement on aircraft subsidies signed by the US and the EU in 1992. Airbus executives want Mr Van Miert to lever a better deal out of the US.

The agreement limits direct government support for large aircraft programmes to 33 per cent and restricts governments from indirectly subsidising civil aircraft manufacturers through defence programmes.

Mr Condit said there continued to be debate about "spillover" from Department of Defense and NASA funded programmes to commercial aircraft programmes but said that Boeing had not benefited in this way since 1993.

As for the issue of exclusive contracts, he maintained that both American and Delta had approached Boeing with the idea after it had fought aggressive sales campaigns with Airbus.



Putting the house in order: (from left) Keith Edelman, chief executive, and Christopher Martin, finance director

Photograph: Kalpesh Lathigra

Nigel Cope
City Correspondent

Storehouse, the BHS and Mothercare retailer, is to create 1,000 jobs this year as it undertakes a £120m investment programme in its stores. It will open six or seven new branches of BHS as it moves to increase the number of outlets from 141 to 200. A further four branches of Mothercare will also open.

The expansion plans were unveiled as Storehouse announced a 16.7 per cent increase in full-year profits to £119m. The figures were welcomed by the City which had been braced for bad news from the retailer whose shares have fallen sharply since its Christmas trading statement in January.

The company's institutional shareholders had said the company's senior management such as Keith Edelman,

Storehouse to open more BHS branches

chief executive, would have come under pressure if the results and accompanying trading statement did not show grounds for encouragement.

The company responded yesterday by making a series of frank admissions about management mistakes while increasing its levels of disclosure. It said the childrenswear market had been weak in the final quarter and had been badly affected by the continued boom in sales of branded sportswear.

Management also admitted that the group had too many unmodernised

stores and out-of-date systems which had hampered its ability to provide customers with the right products at the right price and at the right time. Mr Edelman said: "Visiting some of our [BHS] stores you would think you were in the 1970s not the 1990s. It will take three years to make all the improvements."

The company plans to introduce branded sportswear to BHS stores while adding more fashionable clothing to Mothercare. Alan Smith, chairman, described 1996-97 as "a year of transition" when the company had moved from re-

covery to growth. He said Storehouse now had a stronger balance sheet, better margins and a stronger management team.

Pre-tax profits were affected by a £20.5m charge relating to the acquisition of Children's World from Boots last year and the sale of the Blazer menswear business to Moss Bros. BHS profits rose 14 per cent to £88m. Mothercare profits were 11 per cent higher at £26.8m.

Mr Edelman said Mothercare had lost market share in the two to five age group but had held its position in the 0-2 age range. BHS had also held its share in childrenswear though both stores groups had been forced to increase the number of markdowns to shift stock.

Group sales were 15.3 per cent higher at £1.25bn. The final dividend was increased by 14 per cent to 4.3p per share making 8.1p for the year.

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US legal ruling hits Reed shares

Sameena Ahmad

Shares in the Reed Elsevier, the Anglo-Dutch media giant, fell heavily yesterday on fears that the company would suffer some fallout from news that the rival legal publisher, West Publishing, had lost much of its US copyright protection in a Federal court ruling.

Reed was also hit by a downgrade of its shares by analysts at Merrill Lynch, sending its price tumbling 3 per cent to 607.5p - wiping more than £200m off its stock market value.

Mark Armour, Reed Elsevier's chief financial officer, said: "We believe that the impact will not be significant, even if the ruling is not overturned on appeal."

The ruling arose from a copyright dispute between West Publishing, bought by publishing giant Thomson last year, and US rival HyperLaw. West argued that HyperLaw infringed its copyright after HyperLaw electronically scanned court judgment documents belonging to West and resold them.

However the Federal District Court in Manhattan ruled against West, saying that because the information in the documents was already in the public domain, there was no copyright issue.

Reed which bought over 40 legal publications from Thomson in January, said that its own electronic legal publishing business Lexis, part of Lexis-Nexis bought for \$1.5bn (£920m) in 1994, was not at risk of losing customers. Mr Armour said: "We are not relying on copyright for the sales we make to customers. The value of Lexis-Nexis is the comprehensiveness of its legal databases."

He said that copyright protection had only been lost on court judgments. "What is not at issue is copyright over summaries or commentaries that surround these judgments."

Call for rate rises to be kept as low as possible

Diane Coyle
and Chris Godmark

Fresh signs yesterday that consumers are still on their shopping spree kept the prospect of higher interest rates lower in views. The Confederation of British Industry admitted as much when it published a new, stronger forecast for growth this year in light of the likely size of the free share windfall. But it warned against increasing rates if the pound stayed so strong.

As the Treasury kept everyone guessing about the date of the Budget, due to be held at some point between 10 June and early July, bosses and unions called for increases in interest rates to be kept as low as possible. In its budget submission, the TUC said no further rises were needed this year, and an expansionary policy would help investment.

Separately, the CBI is calling for tax rises of £2bn-£3bn in the Budget to keep rate rises to a minimum. It believes the Bank of England should not raise them at all if the pound does not fall from its present level, which the monthly industry survey shows has damaged orders and optimism.

Kate Barker, chief economist for the employers' organisation,

said: "If there was no fall in sterling, the Government would meet its inflation forecast without rise in interest rates." Yet official figures showed higher-than-expected growth in the volume of high street sales in the year to April, confirming the split between consumer strength and manufacturing weakness.

Although revised figures for

Gross Domestic Product, the widest measure of economic activity, put its first-quarter increase a touch lower at 0.9 per cent, year-on-year growth was unchanged at 3.0 per cent. The growth was driven by consumer spending and the highest rate of increase in investment spending since the late 1980s.

Retail sales increased slightly during April, with the March

figure revised up significantly. The year-on-year growth in high street volumes climbed to 4.7 per cent from 4.4 per cent the previous month.

The strongest-growing categories were household goods and clothing and footwear, up 9.1 per cent and 6.7 per cent respectively in the year to the latest quarter. Consumer spending as a whole, nearly two-thirds of

the economy, expanded by 1.0 per cent in the first quarter of this year.

Ms Barker said: "We're expecting robust economic growth and rather low inflation."

The CBI has revised up its prediction for growth this year from 2.8 per cent to 3.1 per cent - still at the low end of the range. It is forecasting interest rates a half point higher by the end of the year. But its monthly survey of manufacturers showed the strong pound was taking a toll on export orders and unbalancing the recovery.

The balance of firms reporting higher rather than lower export orders declined to minus 24 per cent, weak enough to reduce the total order book. The survey showed manufacturing output was growing at a slower pace. Manufacturers have become less optimistic about output during the next four months.

Jupiter may sue Hambros over role in Co-op bid

Nigel Cope
City Correspondent

The Co-op saga took a fresh turn yesterday when it emerged that Jupiter International was threatening to take legal action against Hambros Bank for the return of its investment in Galileo, the vehicle set up by Andrew Regan for his abortive £1.2bn bid. It is understood the investment was in the region of £1m.

Jupiter claims its decision to invest in Galileo was based on information provided by Hambros which Jupiter did not know had been obtained illegally by the assistance of Allan Green, the Co-op's former retailing controller who was sacked for his part in the bid.

Hambros has not yet received a writ from Jupiter regarding the claim. However, discussions have taken place between Jupiter and its solicitors on whether there are grounds for legal action. It is understood that Hambros is likely to settle the claim though a spokesman for the bank declined to comment yesterday.

The legal action is a fresh blow for Hambros which has seen its reputation severely damaged by its involvement in the Co-op affair. The Norton Rose inquiry into its role in the failed bid is due to be finalised next month. Peter Large, one of the bank's corporate finance executives, stepped down from the bank at his own request pending the findings of the inquiry.

The Co-op dropped its civil claim for damages against Mr Regan, his business partner, David Lyons, Lancia Trust and Galileo in return for a settlement of around £750,000. However, a criminal action against Mr Regan and Mr Lyons for the theft of information from the Co-operative Wholesale Society will go ahead. A hearing has been scheduled for next Wednesday though it is not known if Mr Regan will appear in person. The two men have said they intend to defend the proceedings "vigorously".

Lancia Trust shares have been suspended since January but are expected to resume trading following the publication of its annual results. This was scheduled to have been this week but has been delayed. Lancia invested around £600,000 in Galileo. When the bid failed Galileo was put into voluntary liquidation by Mr Regan.

STOCK MARKETS

FTSE 100

Day	Index
T	4642
M	4694
Tu	4694
W	4678
Th	4662
F	4656
S	4656

Dow Jones*

Day	Index
T	7420
M	7450
Tu	7450
W	7420
Th	7400
F	7380
S	7380

Nikkei

Day	Index
T	14800
M	14900
Tu	14900
W	14800
Th	14700
F	14700
S	14700

*You have taken a crash at 1200 hours

1996/97 Real-time data

Indices

Index	Close	Day's change	Change(%)	1996/97 High	1996/97 Low	Yield(%)
FTSE 100	4642.00	+34.50	+0.7	4693.92	4056.80	3.52
FTSE 250	4500.40	+11.40	+0.3	4726.40	4499.40	3.61
FTSE 350	2249.30	+14.50	+0.6	2272.10	2017.90	3.54
FT SmallCap	2301.57	-2.90	-0.1	2374.20	2178.29	3.05
FT All-Share	2209.21	+13.07	+0.6	2230.96	1999.78	3.50
New York*	7240.41	-83.05	-0.9	7330.55	5932.94	1.71
Tokyo	19841.98	-490.85	-2.4	20496.75	17303.85	0.81%
Hong Kong	14235.52	-0.68	-0.0	14236.20	12055.17	3.01%
Frankfurt	3506.09	+52.66	+1.5	3604.55	2848.77	1.53%

Statistics as of 22 May

INTEREST RATES					
Short sterling	UK medium gilt	US long bond	Money Market Rates	Bond Yields	
1 Month	1 Year	Medium Term	1 Month	1 Year	Long Term
UK	5.25	5.87	7.15	8.03	7.21
US	5.62	6.12	6.72	5.61	6.95
Japan	0.50	0.87	2.98	3.25	-
Germany	3.00	3.31	5.89	6.42	6.66

CURRENCIES

\$/£

£/DM

\$/¥

*Other Time indicators and 100 DM/£ and 100 DM/¥ = 1000 Yen

Pound

	Yesterday	Change	Year Ago
\$ (London)	1.9457	+0.11c	1.5136
\$ (N.York)	1.9465	-0.07c	1.5145
DM (London)	2.7993	-0.80p	2.3331
¥ (London)	187.067	+3.31p	182.041
£ Index	99.0	-0.2	84.8

Dollar

	Yesterday	Change	Year Ago
£ (London)	0.6076	-0.20	0.6807
£ (N.York)	0.6105	+0.09	0.6612
DM (London)	1.6949	-1.23p	1.5415
¥ (London)	113.870	-2.52	107.060
\$ Index	101.5	-1.6	97.2

OTHER INDICATORS

	Yesterday	Day's chg	Year Ago	Index	Latest Yr Ago	Next Figs
Oil Brent \$	20.11	-0.06	18.42	RPI	156.3+2.4pc	150.9 19 Jun
Gold \$	342.85	+0.3	390.50	GDP	109.7+2.5pc	107.0 25 May

NFC	130.5	7	5.7	National Power	545.5	17	3.0	Gold E	207.95	-0.2	257.99	Base Rates	- 6.25pc	6.75	-
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COMMENT

'Gordon Brown is a Chancellor with a taste for drama and headlines. Aides and officials are burning the midnight oil in their effort to draw up a maxi mini-Budget'

Why no date yet for Brown's first Budget?

How odd that a Chancellor so decisive in big matters should dither about minor ones. Although Gordon Brown has turned the Bank of England upside down not once but twice, he still has not set the date for his Budget. Or rather, he has not announced it.

With no announcement in the House of Commons yesterday, the next chance to publish a date will be when Parliament gets back from its recess a week on Monday on 3 June. That would make it very short notice if Mr Brown opts for 10 June, but the possibility must remain.

Why is there such a mystery? Officials in the Treasury – shell-shocked, if not as shell-shocked as Bank of England officials – will be telling Mr Brown he is too ambitious. After all, if he had settled on a mini-Budget, the schemes for unemployed under-25s and the reduction in VAT on domestic fuel, there would be no reason not to go ahead at the earliest opportunity. We could all have inked it into our diaries by now.

What is clear is that this is a Chancellor with a taste for drama and headlines. Aides and officials are burning the midnight oil in their effort to draw up a maxi mini-Budget. The trouble is that the other ideas that the Government has flagged up – from reducing the rate of tax credit on dividends all the way to ambitious welfare reform schemes such as the introduction of a earned income tax credit in place of family credit – range from very to devilishly complicated. Trying to make sure there are no unseen

pitfalls, getting legal opinions, drafting the subsequent finance bill, plugging the measures into the economic forecast to assess the effects, all take time. The civil service will be appalled at the thought of cramming this into a few weeks.

What's more, the National Audit Office has to cast its eye over the Treasury forecast beforehand. This is something it has never had to do before, and it will want to do a thorough job first time around. So perhaps not 10 June. And perhaps not a Tuesday at all. In his bid for radical, reforming measures Mr Brown may choose to follow Geoffrey Howe, who in 1980 opted for a Wednesday Budget.

Chancellor's like it or lump it approach

The save Eddie George campaign battle bus is already down the slipway and onto the main highway, to judge by some well-argued prose in yesterday's *London Evening Standard* putting the case for keeping the Governor on for a second term. But although the decision is still more than a year away – Mr George's contract doesn't run out until July next year – it is probably already too late for such pleading. The Bank's new masters in Downing Street will do what they will and a part of it is almost certainly to put their own man in at the Bank, probably Gavin Davies of Goldman Sachs.

Conspiracy theorists will therefore see the present shenanigans over reform of the Bank

of England as part of a deliberate attempt to destabilise and undermine the present incumbent. True or false, and does it really matter? The known facts are these. The Chancellor had intended to announce that the Bank was being stripped of its supervisory powers when he granted it operational independence two weeks ago.

However, it was then decided that the new financial services bill required to overhaul City regulation could not be squeezed into the present tight parliamentary timetable, and in any case needed greater consultation and thought before it could be drafted. The idea was dropped and the Chancellor gave the Governor the impression, both verbally and in writing, that for the time being it was on the back burner. Then, lo and behold, without warning it gets put back on the front.

What happened in those intervening two weeks to change the Chancellor's mind, and why didn't he give the Governor more warning of it? If the intention was to make Mr George resign, then it nearly succeeded. What purpose could possibly have been served by such an ill-judged endeavour is anyone's guess. Appointing a new Governor when the moment arrives a year from now is one thing, but it would have been quite disastrous for the new Government to have been faced in its first month of office with Mr George's resignation on an issue of principle.

Even so, "government sources", multiplying like rabbits at the moment, have given that impression. One was quoted in the *FT* as saying the Governor has "played into our hands"

by cutting up rough about supervision. Others claim that the Bank basically knew all along what was going on but chose not to understand it. And so the spin goes on.

There is, however, a rather less sinister explanation for all this. In fact what seems to have happened is that the Chancellor rather belatedly realised he could make a start on City regulation in the present session merely by tacking the banking supervision provisions onto the bill already planned for Bank of England independence.

The new Government is on a roll so off the Chancellor went and just did it. Like it or lump it was the approach adopted with the Bank. As things have turned out, Gordon Brown has probably got away with it, just about. But the whole business has clearly been mishandled and he came perilously close to causing the new Government's first big hiccup – a City rebellion led by the Governor of the Bank of England no less.

Beckett dispenses with the formalities

The first puff of smoke has emerged from Beckett towers down on Victoria Street and the message for those contemplating mergers, or indeed those with mergers in the pipeline and awaiting clearance, does not look terribly encouraging.

The President of the Board of Trade has not only referred the takeover of two rail franchises by National Express to the Monopo-

lies & Mergers Commission but she has overruled the Director General of Fair Trading in the process. Secretaries of State usually wait a few months before disregarding the advice of those paid to determine whether or not mergers act against the public interest. Mrs Beckett has dispensed with the formalities. Like so many of her Cabinet colleagues, she is a minister in a hurry.

In fairness her predecessor, Ian Lang, might have taken a harder look himself before allowing National Express to scoop up ScotRail and Central Trains had he not been in such a hurry of his own – in that case to get the rail industry safely privatised before the election.

Nevertheless, Mrs Beckett's actions would appear to set the tone for how this administration will approach mergers policy. British Airways, B&O Stena and Bass, all of whom are waiting on Mrs Beckett to clear deals which reduce competition by creating greater consolidation, must be sitting a little less comfortably today.

Her action over National Express throws up the intriguing question of what she will do if the MMC rules that its takeover of ScotRail should be blocked. Since she has already rejected the remedy suggested by John Bridgeman at the OFT that National Express get rid of its competing bus service, Scottish CityLink, the other option would appear to be getting shot of ScotRail. Clearly competition is not the only criterion for Mrs Beckett. She has widened the public interest test and business will have to take note.

Fund managers 'not investing in best performers'

Tom Stevenson
Financial Editor

Evidence emerged yesterday that fund managers are not investing enough in the market's fastest growing asset classes. Figures compiled by Baring, Houghton & Saunders, the property advisory arm of Dutch bank ING, showed that institutions have cut their holdings in direct property by half over the past 10 years despite it being one of the best performing assets.

The figures followed a day after an analysis from WM, the Edinburgh-based fund management performance specialist, showing pension funds failing to match the return achieved by the FTSE All Share Index in the first quarter of this year. According to WM, pension funds only managed a 4.6 per cent return on their UK equity holdings in the three months to March, compared with a 5.3 per cent return from the market as a whole.

The two surveys are bound to fuel concerns that expensive fund managers are failing to earn their keep and they could accelerate the trend towards index-tracking funds. These

attempt no more than matching an index but at a considerably lower cost than actively managed funds.

Derek Casey, head of Baring Houghton's research department, said: "We are trying to put direct property performance into context. These figures add to the current debate about the spread of institutional portfolios, and suggest that property returns are vastly underrated, and that institutions are surprisingly underweight."

According to the research, the balance of institutional portfolios represented by direct property holdings has fallen from 11.3 per cent in 1990 to just 5.2 per cent last year. That has been despite a 9.6 per cent compound growth in the total return (capital gain plus income) from property in the last 10 years.

That performance put property in fourth place behind UK and US equities and UK bonds but ahead of UK cash, European equities, index-linked gilts and other overseas equities. Despite their relatively poor showing, overseas equities now account for a larger proportion of institutional portfolios than six years ago and the balance given over to UK bonds has

risen sharply from 11.2 per cent to 14.7 per cent.

According to Baring Houghton that leaves institutions particularly badly placed this year when good growth in GDP is expected to result in a good year for property. In 1987, when GDP was strong, property outperformed all its main competitor classes by a wide margin. Property returns were 26 per cent compared to 8 per cent for UK equities, 15 per cent for gilts and a fall of 9 per cent for overseas shares.

The chances of that sort of performance being repeated this year were highlighted by figures this week from Land Securities Britain's largest landlord, which showed a 13 per cent rise in net assets as rental growth in good quality buildings took off.

If property enjoys another bumper year, funds will fail to enjoy the benefit thanks to their reduced weightings. They are also much more heavily exposed to equity markets which, after strong runs on both sides of the Atlantic, look vulnerable to a correction, especially if the Chancellor makes widely expected changes to the tax credits that grass funds enjoy on their dividend income.

Trevor Hemmings gallops into Lingfield Park racecourse



Lingfield Park racecourse was bought yesterday by hotel owner and pub manager, Farringford, for £10m. The deal effectively merges controlling stakes in the two companies held by Trevor Hemmings, who made a fortune buying the Pontins holiday camp business from GrandMet and selling it on to Scottish &

Newcastle. Mr Hemmings has kept Farringford trading for the past three years with a series of interest free unsecured loans. Following the deal, he will be the largest shareholder in Farringford, which plans to change its name to Arena. As well as the racecourse, Lingfield Park includes a golf course and 150 acres of farm land.

IN BRIEF

Business confidence rising in Germany

The Ifo survey of German business showed a surprise rise in confidence in April after an equally unexpected decline in March. The headline activity index returned to its highest level since May 1995. The main reason for the improvement was a better assessment of current economic conditions rather than improved expectations for the future. Analysts said the increase in the index nevertheless pointed to rising output and orders.

French industrial output falls

French industrial output fell in March after a bounce in February, the volatile pattern explained by energy production. The most important component, manufacturing output, increased by 0.4 per cent after a 3.9 per cent increase during February, with the biggest gains in the production of consumer goods.

Small firms 'produce poor returns'

Small companies with relatively few non-executive directors, combined with incestuous boards and management committees underperform the stock market and produce poor returns for shareholders. They also tend to set themselves undemanding profit targets to justify share option schemes, according to a report by Manifest, a specialist database employed by fund managers.

Christies optimistic on sales

The chairman of auctioneers Christies International, Lord Hindlip, painted an optimistic outlook for sales at the annual general meeting yesterday. He said Christies had enjoyed its best week of sales in New York last week since 1990, selling \$235m worth of impressionist and modern picture. However jewellery sales had dipped after a "spectacular" year in 1996.

First-time jobless claims up in US

The number of Americans lining up to collect first-time unemployment benefits rose by 5,000 last week, the government said, but analysts said the level of new claims still suggested a strengthening economy. The Labor Department said weekly jobless claims rose to 322,000 in the week ended 17 May from a downwardly revised 317,000 the week earlier.

The new claims activity fell short of Wall Street's forecast of 324,000 claims. The four-week moving average climbed to 333,250 from a revised 332,500 a week earlier. Economists usually view the average as a more reliable yardstick of jobless trends because it evens out weekly fluctuations in the data. But automobile industry strikes and Midwestern flooding have skewed the moving average recently, making it a less useful gauge for now, some economists said.

PowerGen expands overseas

Michael Harrison

PowerGen, Britain's second biggest electricity generator, yesterday expanded its international base by taking stakes in two overseas power station projects worth £1.3bn but said it was still interested in buying a regional electricity company.

Its larger rival, National Power, has also redoubled efforts to expand internationally after the two generators were blocked last year from bidding for RECs by the Monopolies and Mergers Commission.

National Power last week signalled it had no interest in renewing its interest in a REC by selling its stake in Southern

Electric, built during last year's abortive bid. But Ed Wallis, PowerGen's chairman, said: "If a REC comes up and the window of opportunity to buy it without regulatory interference is there we would consider it seriously."

He stressed, however, that PowerGen's strategy of tapping into the electricity supply market in readiness for the opening up of the domestic market in 1998 was progressing well without the need to buy a REC.

Derek King, managing director, said that PowerGen had signed heads of agreement to enter long-term supply arrangements with several RECs and planned to sign contracts with several of them in the next few

months.

He also said that PowerGen was negotiating a new set of coal contracts with RJB Mining, the owner of the English coalfields, at significantly lower prices than those in its current contracts, which also end next year. He said that about a third of PowerGen's output would be covered through partnership deals with RECs.

He was speaking as PowerGen announced a modest rise in pre-tax profits last year to £575m but warned that increased competition in the UK electricity market would put greater pressure on margins this year.

PowerGen is taking a 40 per cent stake in a £400m coal-fired

plant to be built in Indonesia and a 30 per cent stake in a £875m coal-fired station in Thailand. The two projects will increase PowerGen's investment in overseas power stations to £700m and give it interests in 7,700 megawatts of generating capacity.

Mr King said that within five years, total output from overseas power stations in which PowerGen has an interest would be the same as its UK generating capacity.

Mr Wallis refused to comment on Labour's windfall tax other than to confirm that PowerGen had passed a submission to the Treasury setting out its case to be excluded. Mr Wallis is expected to meet John Battle, the new Energy Minister.

DTI warns of fake motor insurer

The Department of Trade and Industry yesterday declared Eastern Star Motor Policies to be a fraudulent insurer and said any motorists with cover issued by the "company" should seek alternative cover.

A man has been arrested and released on bail in connection with the fraud, said a police spokesman. The DTI said that Eastern Star claimed that its policies were underwritten at Lloyd's of London and gave a non-existent address in Gracechurch Street in the City of London as its offices. A spokesman for the Lloyd's insurance market has denied any connection with Eastern Star.

The policies were sold through SOS Insurance Services, which claims as its base a residential address in East London. A spokeswoman for the DTI said: "We know of about 50 individuals who have got Eastern Star policies so far. It could be a much bigger number."

A police spokesman said yesterday: "A man was arrested last week in connection with this matter by Leyton CID and he is being investigated in connection with the suspected selling of bogus insurance policies."

He is due to return to Leyton pending the outcome of a report to the Crown Prosecution Service.

No charges have yet been brought against the man, said the spokesman.

Mortgages

NOTICE OF INTEREST RATE VARIATION

The following interest rates for mortgages provided by Centrebank, a Division of Bank of Scotland, will apply with effect from 30th May 1997 for both new and existing borrowers.

Centrebank Mortgage Rate (Variable) 7.59% per annum

Stabilised Charging Rate 7.89% per annum

Adaptable Mortgage Plan Charging Rate 7.75% per annum

Home Loan Rate 7.59% per annum

Centrebank Mortgage Rate Plus (Variable) 8.09% per annum



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informative:

With effect from 2 June 1997 the following interest rates will apply:

Premier Cheque Account

Overdraft Rate	%pa	%EAR
Agreed overdraft for balances up to £10,000	9.25%	9.6%

Mortgage

	From	To
All loan amounts	6.74% pa	7.10% pa

Equity Release Loan

	From	To
All loan amounts	6.74% pa	7.10% pa

If a mortgage is held with First Direct or no other mortgage is outstanding on your property:

	From	To
All loan amounts	6.74% pa	7.10% pa

If a mortgage is held which is not with First Direct:

	From	To
All loan amounts	8.74% pa	9.10% pa

First Direct is a division of Midland Bank plc

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or
Horse riding in Wales?

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INDEPENDENT
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business

Whisky firm waits for merger fallout

Magnus Grimond

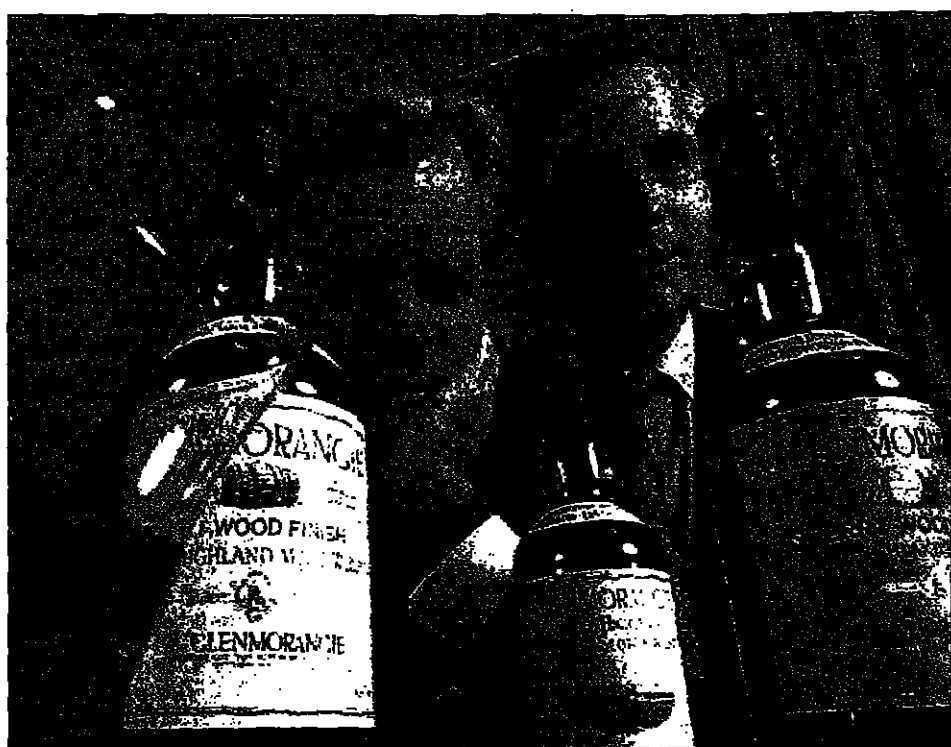
Glenmorangie, maker of the eponymous malt whisky, is ready to pick up any drinks brands dislodged as a result of the £24bn merger between Guinness and Grand Metropolitan. Speaking as the company announced a 19 per cent rise in profits for last year, Geoffrey Maddrell, chairman, said: "There is bound to be some fallout as a result of the merger. We're monitoring the situation carefully and if some appropriate brands come up for sale we would look at them."

The company said it did not underestimate how much the merger could change the dynamics of the whisky market. But there would be opportunities in the short term for small and nimble operators to take advantage of the inevitable pe-

riod of disruption during the integration of the two companies. Earlier this year Glenmorangie paid £7m for Allied Domecq's mothballed Ardbeg distillery in Islay, which it now reckons is valued at £8.9m.

The profits rise from £6.57m to £7.8m in the year to March came on the back of its whisky sales growing at around double the rate of the market. The company said its volumes jumped by 20 per cent last year compared with a 10 per cent rise in worldwide demand for malt.

The three "wood finishes" launched last year - Glenmorangie part-matured in port, sherry and madeira casks - had grown to around 10 per cent of the malt's overall sales of around 200,000 cases, the company said. The new tastes were introduced to tempt new drinkers, particularly women and younger age



Whisky galore: (from left) Geoffrey Maddrell and Peter Darbyshire saw Glenmorangie's sales grow by 20 per cent last year, around double the rate of world-wide demand

groups. Peter Darbyshire, managing director, said Glenmorangie was now the fastest-growing spirit in America after Hennessy Cognac, with growth of 40 per cent against 25 per cent for the market.

He said younger, more affluent drinkers were "leapfrogging" whisky blends and moving straight on to malts.

The figures were broadly in line with expectations. Alan Gray of Edinburgh brokers

Sutherland said the company had done remarkably well in the face of weak pricing in the market. He said the 45 per cent increase in sales of bottled whisky and 22 per cent reduction in bulk sales to blenders and other bottlers showed that the quality of earnings was improving. However, a £617,000 loss from associates in India and China was higher than he had expected. Further big losses and the company was likely to

consider winding up the Indian operation, he suggested.

Glenmorangie's £320,000 charge for the Indian joint venture writes off the investment, taking total losses to £800,000 over the past three years.

Shares in the family-controlled company, known until last year as Macdonald Martin Distilleries, remained unmoved by the figures, with the limited voting A shares at 945p and the B shares at £10.65.

Vaux backs beer despite decline

Clifford German

Vaux, the Sunderland-based regional brewing and pubs group, said yesterday it remained committed to beer, despite the fact that hotels now generated nearly half its profits.

Sir Paul Nicholson, chairman, said the rate of decline in beer sales had halved over the past 12 months and had now virtually levelled out.

His finance director, Neal Gossage, said: "We believe there is a long term future for Vaux as an integrated brewer

and the discounts being negotiated will change."

Results for the six months to 15 March show brewing hit by the higher discounts Vaux is having to offer its retail customers, while hotels remained the group's star business last year.

Unveiling a 14 per cent rise in pre-tax profits to £15.2m, Vaux revealed that trading results from the Swallow Hotels chain had soared 28 per cent to £11.5m - close to half the total.

The figures show that regional hotels are sharing in the current boom in bookings. Occupancy rates at the 30 hotels

improved by 2.7 percentage points to 68.6 per cent and achieved room rates increased by 9 per cent to £49.12.

There were divergent results from beer. Profits from the tenanted estate dropped 12 per cent to £5.5m, reflecting a drop in the number of pubs from 771 to 695 and lower beer sales, which slipped 2.7 per cent.

However, there was better news from the 171-strong managed portfolio, where profits were up 14 per cent to £4.7m. Food turnover rose 7.3 per cent, drink by 4.5 per cent and

income from machines was up nearly 30 per cent to £1.2m.

Brewing and wholesaling now represents a tiny portion of the business.

Profits there rose just 2.7 per cent to £1.4m. Volume sales rose, but the company was forced to offer bigger discounts, while contract sales fell 40 per cent. Half the beer sold in Vaux pubs now come from other suppliers.

Earnings per share rose from 7.23p to 8.33p and the interim dividend rises from 3.56p to 3.7p. The shares dipped 0.5p to 277.5p yesterday.

One 2 One unveils tariff cost reductions

Chris Godsmark
Business Correspondent

The mobile phone industry was bracing itself for another price war after One 2 One, the smallest of the four networks, unveiled a package of tariff cuts combined with an aggressive marketing assault.

One 2 One claimed the new prices were at least 20 per cent lower than their rivals'. The packages, which start from next month, adjust existing prices to include free call time, an innovation begun by Orange.

The aim is to take a bigger slice of the lucrative small- and medium-sized business market, as One 2 One extends its coverage to South Wales, Scotland, Tyneside and East Anglia. The network raised its coverage from 40 per cent to 80 per cent of the UK last year said it aimed to raise this to 85 per cent at the end of this year.

Jan Peters, One 2 One managing director, denied she was igniting another price war. "We do not see this as a price war at all." But she declined to forecast the impact on the network's projected revenues.

Jim McCafferty, telecommunications analyst with the stockbrokers Hoare Govett, said other operators would respond. "As One 2 One approaches national coverage, other networks may feel they need to reduce their prices to this level. That's what happened with Orange."

One 2 One, which lost £280m last year, said it was on course to break even in 1999.

Ms Peters said its joint owners, Cable & Wireless and US West, were "very committed" to maintaining their stakes in the company.

IN BRIEF

Graystone directors depart

Graystone plc said that Colin Davies, the finance director, and the executive director Patrick Fox, have resigned after notifying the board of their interest in acquiring certain of the group's engineering businesses. Graystone said it was also in negotiations with other interested parties regarding the possible sale of these group companies.

Sleepy Kids warns of sales slump

Sleepy Kids, which owns the rights to Budgie the Helicopter, said that it expected first-half sales to be significantly lower than last year. Martin Powell, chairman, told the group's annual meeting that the board was "exploring ways of adding shareholder value to the group" and is "actively seeking strategic alliances" in the media and related sectors. He said that, if appropriate, the group would raise external money to invest in new projects. The group's shares fell 0.5p to 16p.

Perkins Foods shows first-quarter progress

Perkins Foods has had an encouraging start to the year, according to the company's chairman, Michael Davies. Speaking at the annual general meeting, Mr Davies said pre-tax profits for the first four months of this year were ahead of last year. Frozen foods were making good progress and fresh produce were experiencing strong trading, he claimed.

Growth for Jackson Group order book

Jackson Group is optimistic that its construction unit will achieve significant sales growth this year. Peter Green, chairman, told shareholders at the company's annual meeting that the order book for the construction division during the first four months of the year suggested that "significant turnover growth would be achieved in the year, with some margin improvement". However, the engineering division continued to experience pressures on margin and turnover.

Bridon meets challenge of strong sterling

Bridon, the engineering company, said that it was performing at better levels than in at the same point last year, despite the strength of sterling. At the group's annual meeting yesterday, Brian Clayton, chairman, said: "We have seen improved order books in our manufactured products businesses, both for wire and wire rope and all of them are performing ahead of last year." Mr Clayton said the company had won a contract to supply wire for the Jiangyin bridge in China, but said that performance at its UK Certe business remained poor. The group's share price rose 2p to 101p.

Graseby chief executive quits

Electronics group Graseby yesterday announced the resignation of its chief executive Paul Lester. Mr Lester is leaving the company on 30 June to join the construction group Balfour Beatty, part of BICC, as managing director. At its annual meeting the company said that group sales in the first quarter of the year were 16 per cent ahead. This came largely from organic growth in the medical business, which benefited from the infusion therapy acquisition made last July. Graseby's shares rose 6p to 157.5p.

Company Results

	Turnover £	Pre-tax £	EPS	Dividend
Asstent & Hutchinson (F)	139.4m (147.2m)	3.24m (3.09m)	5.7p (5.9p)	4.0p (3.5p)
Airflow Structures (F)	105.0m (101.5m)	2.08m (5.14m)	15.74p (37.41p)	8p (8p)
Britt Bros (F)	15.5m (13.97m)	1.11m (1.73m)	5.51p (8.89p)	1.90p (1.75p)
Brookmount (F)	27.7m (27.5m)	0.8m (7.9m)	11.8p (11.4p)	4p (3.14p)
Brook Industrial (F)	15.1m (10.55m)	697,000 (504,000)	7.5p (6.5p)	1.5p (0.9p)
Car Group (F)	68.3m (69.5m)	2.1m (2.98m)	5.1p (10.3p)	1.5p
Cable International (F)	11.1m (5.9m)	5.52m (5.98m)	4.54p (8.5p)	
City of London PR (F)	2.45m (2.8m)	1.03m (225,000)	9.43p (6.53p)	5.8p (5.58p)
Electronics (F)	40.1m (38.7m)	7.9m (6.57m)	41.25p (39.97p)	13.5p
Farrington (F)	1.88m (1.84m)	111,000 (11,000)	4.45p (4.11p)	
Fluoride (F)	2.85m (2.53m)	575m (687m)	63.9p (59.7p)	23.2p (21p)
Southwest (F)	37m (28.8m)	5.9m (4.1m)	24.92p (18p)	7.75p (6.81p)
Stratford (F)	7.25m (1.084m)	97.8m (109.9m)	15.2p (17.2p)	8.1p (7.2p)
Vaux Group (F)	134.5m (125m)	15.2m (13.3m)	8.44p (7.23p)	3.7p (3.56p)
Vesper Thornycroft (F)	240.7m (237.7m)	30.73m (27.65m)	61.9p (57.5p)	26p
York Waterworks (F)	6.62m (6.5m)	3.37m (3.17m)	34.5p (32.4p)	12.8p (11.75p)

(F) - Full (I) - Interim (N) - Nine months

THE INVESTMENT COLUMN

EDITED BY MAGNUS GRIMOND

Storehouse owns up to its mistakes

Several retailers have taken a pummeling in the last few months, but none more so than Storehouse. Shares in the BHS and Mothercare retailer have been hit hard, falling from last year's high of 359p to barely more than 200p last week.

As recently as January they stood at 300p but since then when Storehouse issued its Christmas trading statement, even the company's own joint brokers have been taking the knife to their forecasts. SBC Warburg and Cazenove have now downgraded from £148m to £130m.

City scepticism has centred on nervousness about the company's ability to grow sales and concerns that its costs were higher than it was reporting.

As it turned out the results were no worse than expectations, with pre-exceptional profits 16.7 per cent higher at £119m in the year to 29 March. The shares, which had been edging up this week, rose 7p to 223.5p.

But the market is not wholly convinced. True, there was an element of *mea culpa* about yesterday's presentation. Management admitted that some of its stores looked like something out of the 1970s and that some of its products and systems left a lot to be desired.

They admitted that mistakes had been made, particularly in childrenswear. And that they had been slow to see the boom in branded sportswear, which is hitting sales of older children's clothing hard. That is belatedly being addressed, with secondary brands of sportswear being introduced in BHS and the larger Children's World stores.

But analysts point to relatively weak sales, with like-for-like sales 3.1 per cent higher in BHS last year, but 3.3 per cent down in Mothercare. Markdowns of unsold goods seem to have been a problem in both businesses, affecting margins.

The company's supporters say the worst is over. The management aims to make Children's World into a "category killer" in the nursery equipment market, attempting to lead the market with giant stores. Refurbishments in the BHS stores are increasing sales

growth. And the international division, which has sales of almost £100m, is being expanded into eastern Europe and the Far East.

Judging Storehouse is difficult. BHS is strong in the mass market sector and 90 per cent of pregnant mums visit Mothercare.

It is just that not enough of them buy anything. Confidence in this company has been badly shaken, but on forecasts of £127m it trades on a forward rating of just 11. At these levels it may now be worth a look.

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On the face of it, all is looking rosy for Vosper. Profits in the core shipbuilding operations rose 12 per cent and the order book appears good. Around half the group's £300m of orders relates to ships, which is roughly equivalent to last year's turnover in the business of £147m.

There is a strong "base load" going forward in the shape of the £170m Royal Navy contract to supply seven minehunters up to 2001. Vosper has also signed a memorandum of understanding with Qair to supply two £50m patrol craft and is in pole position to win the follow-on order of three minehunters for Saudi Arabia, having bid the first three in a £150m deal.

The problem, say the bears, is that in the new competitive world of defence contracting, these orders will not be as lucrative as the ones which are making so much money for Vosper. Meanwhile the diversification into non-shipbuilding work, ranging from providing the careers service in three English counties to doing the maintenance at GCHQ at Cheltenham, is only being driven by acquisitions.

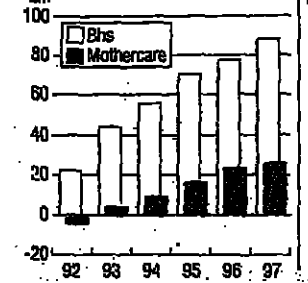
Even so, the return on capital in the new businesses at 40 per cent looks appetising and group profits of around £33m this year would put the shares on a lowly forward multiple of 12, falling to 8 if the cash is stripped out. Hold on.

Storehouse: At a glance

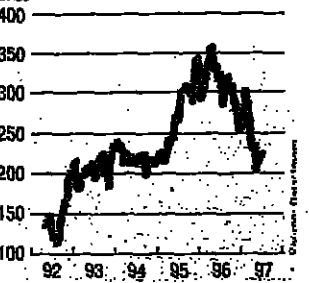
Market value: £241.8m, share price 223.5p

	93	94	95	96	97
Five-year record					
Turnover (£bn)	1.14	1.04	1.08	1.08	1.25
Pre-tax profits (£m)	15.2	61.2	90.8	109.9	97.8
Earnings per share (p)	0.1	9.4	14.8	17.8	15.2
Dividends per share (p)	5.0	5.5	6.3	7.2	8.1

Operating profit



Share price



Celsis needs to shake the inertia bug

There is a risk that the market has dismissed the potential of Celsis. True, the group, which develops fast, simple machines to detect bugs in everything from shampoos to cough syrups, has some prejudices to overcome.

Though Celsis is a diagnostics company, it tends to get lumped in with the volatile biotechnology sector. So when share prices flop there it suffers collateral damage, while no one expects much upside from a maker of diagnostic kits. Since Celsis floated at 100p in 1993, its share price, currently up 2p at 104p, has done little, partly on disappointment that despite management's unshakeable belief in the prospects, the group is still loss-making.

But Celsis has strengths which could change that. First its products, based on established holmium-sensitised technology, look good. Celsis' hand-held SystemSure device recently got the thumbs up from an independent US re-

search group, which rated it more sensitive and reliable than rival machines. The group has forged alliances with cash-rich partners whose sales teams ensure faster and more thorough access to a huge, largely untapped market of around £3bn. Finally, joint venture partners shoulder most of the research costs and Celsis has £5.4m cash in the bank.

Competition will spring up as 97 per cent of companies still use agar plates to test for bugs, a slow and complicated method. But it is comforting that Celsis bought its key component, Lumac, last October.

Celsis could hit profits this year. Underlying losses for the year to March fell a third to £4m, with underlying sales more than doubling to £8.3m. Panmure Gordon forecasts £3m profits for 1998 and £10m for 1999. With no products to fail, inertia looks the biggest risk for these shares. But on 10 times 1999 earnings, they are worth a punt.

NOTICE OF VARIATION OF INTEREST RATES

With effect from 2 June 1997

Mortgage Rate will increase to

7.60% per annum for

both existing and new borrowers.

The 100% Mortgage Rate

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Flexible Choice Mortgage Rate

to 6.85%, with effect from this date.

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Exchange makes £41.5m provision

Tom Stevenson
Financial Editor

The London Stock Exchange more than doubled its operating surplus in the year to March before making a £41.5m provision to cover a two-year cost-cutting programme following the loss of its 118m settlements income to Crest. The loss of that function is expected to reduce the LSE's income by up to £50m.

Gavin Casey, the Exchange's chief executive, said good progress had been made in reducing its cost base, which fell during the year by 24 per cent to £122.4m. As a result, he announced a £10m rebate to the LSE's member firms.

Mr Casey said: "The strong financial performance this year, and our progress on financial restructuring, puts the Exchange on a sound footing for the next stage of our development."

Income was maintained at £191.8m (£196.1m) thanks to continued buoyancy in listing and trading. There were a record 431 new UK and international companies listed on the main market and AIM during the year, almost one-fifth higher than in the previous period.

Trading also reached record levels, with UK equity turnover rising by 16.3 per cent in the year, and international equity trading

up by more than 28 per cent.

Mr Casey, who was appointed last August to replace the Exchange's ousted head, Michael Lawrence, said: "We have a clear agenda for the year ahead - to complete the changes agreed in our strategic review and to grow our business by providing the users of our markets with highly relevant services at effective cost."

He dismissed rumours that the Exchange was planning a flotation in the near future despite its appearance on a semi-official list of flotation candidates.

The provision in the accounts marks the end of a decline in the numbers of staff working at the Exchange. In the mid-1980s, the LSE's payroll amounted to about 3,500 people. By the end of the restructuring programme that will have fallen to 550. One new addition was announced yesterday with the appointment of Peter Melnerzhagen, chairman of ABN AMRO Hoare Govett, to the LSE's board.

Mr Casey said the order-driven trading in FTSE 100 stocks was on track to meet its target start date in October. Once implemented, the system where dealers post quotes on a screen and then agree a price over the telephone will be replaced for the market's largest stocks by a wholly automated system.

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Data Bank

FTSE 100	4651.8	+9.8
FTSE 250	4501.5	+1.1
FTSE 350	2253.3	+4.0
SEAQ VOLUME	835.6m shares,	
	46,723 bargains	
Gifts Index	95.66	-0.97

Share spotlight



Tesco and Williams Holdings fight off bear attacks

Taking Stock

Bears attempted to savage Tesco and Williams Holdings as the stock market turned in an uneventful performance with Footsie struggling to close 9.8 points higher.

Tesco, at one time down 10p, had to contend with stories that analyst David McCarthy at BZW had produced a strong sell circular.

His advice, however, was much less dramatic. He still regards Tesco as a long-term buy but felt that short-term there was an argument for switching out of the supermarket front-runner into rival Sainsbury, up 7p at 366.5p.

His view was prompted by the suspicion that Tesco's recent heavy sales advance would have tailed off. The BZW forecast for this year is unchanged at £825m. At the close Tesco was down 7p to 375p.

Williams Holdings, the fire protection and security group, endured a 4p fall to 397p as

vague stories circulated of problems at one of its US operations. Reed International was also

gawped, suffering the worst Footsie fall, down 18p at 607.5p. Profit forecasts were

trimmed as it became clear that 50 or so US legal publications acquired in January could

lose much of their copyright protection following a court ruling.

The Anglo Dutch group bought the publications from Thomson Corporation, which had been ordered to sell them by the US anti-trust authorities.

The court decision allows rival publishers to electronically scan the law books and republish them. Although there are hopes the court decision will be overturned there is a deep fear that Reed's legal publishing, seen as an important element in its growth plans, will be retarded, particularly if copyright is also damaged in Britain and Europe.



MARKET REPORT

DEREK PAIN

stock market reporter of the year

BSkyB edged ahead 3p to 584.5p. Stories are circulating that the satellite television station is planning to issue US ADRs in the next few weeks. The move is likely to include a cash raising element.

Telewest, the struggling cable group, had another depressing session, hitting a new low, off 4.5p to 68p. The loss-making group, stripped of its title as the largest industry player following the formation of Cable & Wireless Communications, is looking increasingly forlorn. The shares were floated at 182p.

Footsie ended at 4,651.8. The supporting FTSE 250 index edged ahead 1.1 to 4,501.5p. Government stocks

had a poor session, falling by up to 11.4p following a disappointing take-up of the £1.5bn auction.

Alders, the department store chain, firmed to 201p. NatWest Securities expects next week's results to be encouraging and rate the shares a buy.

Cepes International, the drugs group, was another to attract analytical support. Greig Middleton produced one of those "fair value" estimates, suggesting the shares currently have a 473p value, which would stretch to 725p in 12 months. The shares were none too impressed, falling 4p to 211p.

Celltech continued to give

ground, although it ended above its low at 332.5, off 8.5p.

Retailers, helped along by higher sales in April and relief over the Storehouse results, turned in some firm displays. Storehouse gained 7p to 223.5p and Boots 10p to 713.5p.

Transport shares retreated after Margaret Beckett, President of the Board of Trade, referred the proposed National Express takeover of ScotRail and Central Trains to the Monopolies and Mergers Commission. Mrs Beckett's referral, without giving National a chance to offer undertakings, was seen as the first shot in a Government get-tough policy with the sector.

National reversed 28.5p to 490.5p, Stagecoach 13p to 648p and Go-Ahead 23p to 448.5p. Rolls-Royce rose 3.5p to 248.5p on hopes Mrs Beckett will look favourably on the company's request to have the ceiling on its overseas investors lifted,

even removed. British Aerospace, with a similar restriction, climbed 13.5p to 1,232.5p. On Wednesday Kolls revealed foreign shareholdings had hit the 29.5 per cent upper limit.

Insurances continued to gather benefits from the Norwich Union flotation with General Accident putting on 13p to 952p. Legal & General rose 5p to 460.5p.

On dull days there is inevitably an effort to get a take over story buzzing. Tadpole Technology was given the treatment, lifted 1.75p to 11.25p. The shares have come down from 69p in the past 12 months and three years ago, when hopes were riding high over its computer developments, touched 434.5p.

Eagles, the rugby club which arrived at 40p on Wednesday, fell a further 2.5p to 31p. The Sheffield club's head coach, Phil Larder, quit on debut day, replaced by John Kear.

Oliver, the shoe group, stepped out 3.5p to 41.5p. The shares were 27.5p earlier this month. Helped by a property windfall which sharply reduced gearing, it returned to profit in the 57 weeks to end February. Swede Peter Gyllenhammar has been dabbling in the shares and at the last count had 4.35 per cent. He has had stakes in Chloride and Phoenix Timber and made his name in Sweden with a number of takeover bids.

Guinness Peat, run by New Zealander Sir Ron Eriqley, is thought to have turned its attention to Ireland, the frozen food chain. It snapped up a 3 per cent stake, partly from the Electricity Supply Pension Fund. GP's stakes include car dealer Gowerings and Young & Co's. Brewery, Ireland was little changed at 89p.

Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items. Other details: B, rights; E, dividend; F, full; U, United Securities Market; S, suspended; P, Partly Paid; N, Nil Paid; Div, Dividend; A, All Share.

The Independent Index

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FTSE 100 - Real-time	01	Starting Rates	04	Pre-emption Issues	36
UK Stock Market Report	02	Daily Report	05	Water Shares	38
UK Company News	03	Wall St Report	20	Electricity Shares	40
Foreign Exchange	04	Tokyo Market	21	High Street Shares	41

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Market leaders: Top 20 volumes

Stock	Volume	Stock	Volume	Stock	Volume	Stock	Volume
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000

FTSE 100 index hour by hour

Open 4635.7 down 5.3	11.00 4635.7 up 17.5	14.00 4655.2 up 13.2
High 4651.8 down 5.3	12.00 4651.8 up 17.5	15.00 4651.8 up 13.2
Low 4645.6 up 3.5	13.00 4651.7 up 11.7	Close 4651.8 up 9.8

Telecommunications

British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000

Retailers, Food

British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000

Retailers, General

British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000

Textiles & Apparel

British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000

Tobacco

British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000

Transport

British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000

Water

British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000

Support Services

British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000

Rights Issues

British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000

Recent Issues

British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000
British	250000	BT	100000	BT	100000	BT	100000

THE INDEPENDENT

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business

Scudder sale imminent

David Osborne
New York

The rush by European banks to strengthen their presence in the US is likely to be underpinned by the widely expected sale of Scudder Stevens & Clark Inc, one of Wall Street's pre-eminent money management and mutual fund firms.

A deal, which may be announced within days and perhaps even before this weekend, is likely to rank among the biggest ever consummated involving a US mutual fund company. The expected price tag for New York-based Scudder is likely to be between \$1bn and \$1.5bn (\$615m and \$922m).

Talks have been going on for several weeks between Scudder, which is privately-held, and as many as six serious suitors. Ex-

ecutives at Scudder are known to favour selling to a European bank on the grounds that Europeans are thought to be ready to pay more for the firm.

Union Bank of Switzerland (UBS) is known to have been among the most ardent candidates to acquire Scudder. A UBS source said that while the bank remained fully engaged in negotiations it faces strong competition from several other banks.

If the firm is sold instead to a domestic US buyer, the most likely candidate is thought to be Chase Manhattan Bank. Chase already has its own mutual fund operations in the US. UBS, by contrast, has virtually no mutual fund presence in the US. Its main activity here is in investment banking.

The European appetite for

acquisitions in the US was highlighted only last week by the sale of Dillon Read, the mergers and acquisitions boutique, to SBC Warburg of London. Warburg paid \$600m for the firm, considered by most observers to be unexpectedly generous.

A spokesman at UBS in New York, David Walker, refused to comment on Scudder. "We don't comment on market rumours," he said. But UBS has already stated that it is interested in broadening its position in New York. "We would consider a money management acquisition in the US," Mr Walker said.

Founded 78 years ago, Scudder has \$11.5bn in assets under management, including \$3.7bn in mutual funds. Like all mutual fund firms in the US, it has benefited from a huge increase in inflows over the past two

years that has matched the sharp gains in the US stock markets. Those flows slowed in March, as the market dipped, but recovered somewhat during April and this month.

Scudder's strength derives in part because of its 12-year-old position as the exclusive seller of funds for the American Association of Retired Persons. The arrangement gives Scudder—and by extension any bank that buys it—a direct pipeline into one of America's largest associations.

Moreover, the company last month landed a similar exclusive arrangement with the American Medical Association, which promises to open up a pool of well-heeled and prosperous potential investors.

A Scudder spokesman declined yesterday to make any comment on the possible sale.

Rover chief's cigar gifts could be the start of a Cuban crisis

PEOPLE & BUSINESS



No smoking Havanas: Trade with Fidel Castro's regime is still forbidden in the US

Stand by for further serious trade friction across the Atlantic. Dr Walter Hasselkus, the motorbiking chairman of Rover, was so pleased with Land Rover's improvement in the annual JD Power quality survey – the bible of the US motor industry – that he presented all its US dealers with Havana cigars. Only one slight problem. Being Cuban in origin, Havana cigars are forbidden in the US, where they still take a dim view of Fidel Castro's regime.

Under the notorious Helms-Burton Act, no one who has traded with Cuba is allowed into the US. Since Rover is not planning to re-enter the US market with its car range until 2004, Dr Hasselkus has no pressing reason to go there for a while yet. But should the US immigration authorities decide to turn nasty anyway, he would be in good company.

Among the list of those who are also persona non grata is Rupert Pennant Rea, the former deputy governor of the Bank of England. Incidentally, since you ask, Land Rover recorded the biggest improvement of any manufacturer in the survey. These things are, however, all relative. Sadly it is still languishing in the bottom quarter of the league for sports and utility vehicle makers.

Des Wilson, BAA's director of corporate and public affairs, has been conducting a little tutorial in the airport operator's staff magazine *Take-Off*. Under the headline, "Life under Labour: what it means for BAA?" Des has been answering a few questions about how the company thinks it will fare now that Tony and his team are in the cockpit.

One of the questions is: "Does the company know the new Labour transport team?" Des's reply runs thus: "Yes, we do and we are particularly pleased that John Prescott will be heading up Transport and Environment. He's a former Secretary of State for Transport who knows the issues well, and we have had a useful dialogue with him over the years."

Er, not quite. Mr Prescott has been many things in his life, including a steward in the Merchant Navy. But the nearest he ever got to a ministerial job before 2 May was shadowing successive Tory transport secretaries. BAA will no doubt be getting better acquainted with Mr Prescott in the months and years ahead.

Things are on the up for Broxburn in West Lothian. It is already home to a leading part of Scotland's indigenous sausage making industry through Hall's of Broxburn, whose black puddings were recently voted top of the pops by the

BBC's *Food and Drink* programme. But since last year it has also played host to Glenmorangie, maker of Scotland's best selling malt whisky.

Geoffrey Maddrell, sassenach chairman of the group, was able to reassure traditionalist toppers yesterday that he will not be extending last year's £2.5m designer facelift of Broxburn to 'tain and the 16 famous employees who "hand craft" the precious malt there.

Glenmorangie tripled its lead over Glenfiddich, Scotland's second favourite Scotch, to 3 percentage points last year, but even so the whisky may soon be eclipsed by sausages. Word has it that Hall's is among the 10 finalists for "Pork Product of the Year", an award given by the Meat and Livestock Commission and Good Housekeeping magazine. Where next for Broxburn?

To a City restaurant where the good people of the Co-op were celebrating their victory over the young break-up artist, Andrew Regan. Their choice of location was appropriate, they felt. The party was held in the Bleeding Heart, a well-hidden eatery with a rather gruesome history. It was in the yard outside the restaurant where, according to legend, the still-beating heart of a

young woman was found, ripped from her breast by her jilted lover.

Involuntary heart operations were then on the ground the other night but I was curious to know just whose bleeding heart they had in mind when the Co-op executives made the booking. "Whose do you think? Andrew Regan's," they crowed. Though, of course, ripping the heart out, was exactly what he was trying to do to the Co-op.

Out in cyberspace, there is more evidence that Gordon Brown took the Bank of England by total surprise this week. Even by yesterday afternoon, 24 hours after Flash Gordon announced that he was taking banking supervision out of the Old Lady's hands, the Bank's Internet site was carrying no information about the changes. Perhaps the Bank's computer expert was too dismayed contemplating a future working for the SIB.

What a contrast with the Treasury's own web site. The boffins over in SW1 had archived all previous announcements and documents under the heading "previous administration" by 9am on 2 May. Since the new dawn, the Treasury has even been able to broadcast its news by e-mail, just in case anybody had somehow missed it elsewhere.

Southnews waits for prices to drop

Cathy Newman

The high asking price for regional newspaper groups and a slowdown in growth in advertising revenues have made Southnews, the regional publisher, cautious about the future.

Gareth Clark, the group's chairman, said the growth in advertising revenues enjoyed by the regional press market had begun to slow over the past four months. As a result, Southnews was more circumspect in its outlook than at the same time last year.

Although the company has shied away from spending heavily on acquisitions, Mr Clark claimed the prices being asked for regional newspapers continued to be a major deterrent. He said he was "flabbergasted" at some of the prices paid in recent deals and would probably wait for prices to come down before looking to expand.

Mr Clark said: "Prices will only start to come down when people fall on hard times again. That may take two years."

Cathy Newman

Southnews would only look at "the right acquisitions" in surrounding areas, he said.

The likelihood that newspaper prices would increase at the end of the year and the Government's plans for a minimum wage were also reasons for caution.

Mr Clark's comments came as he announced results for the year to the end of March showing a 44 per cent advance to £5.9m in pre-tax profits.

The first full year's contribution from the Croydon Advertiser Group, which Southnews bought two years ago for £13m from Portsmouth & Sunderland Newspapers, helped push revenues up 29 per cent to a record £37m.

City analysts said Southnews was sensible to bide its time on acquisitions. Cliff Hyde, media analyst at ABN Amro Hoare Govett, said regional newspaper owners had been consolidating their businesses into geographic areas over the past two years and there were now fewer opportunities to buy papers in blocks.

Interflora board refuses to yield

Chris Godsmark
Business Correspondent

The battle over the sacking of Interflora's management took a decisive turn yesterday when the new board of directors, appointed during a stormy mass meeting almost two weeks ago, confirmed that they would not yield to calls for a postal ballot to endorse their election.

Last night the 11 former directors fired at the meeting stopped short of launching legal action against their successors, but warned they would make a decision on whether to take the row to court by next Tuesday. A spokesman for the old board, led by the former chairman, David Parry, said they wanted to consult members to gauge the likely backing for legal action.

In a strongly worded statement yesterday, Mr Parry accused the new board of "total disregard" for the views of members. Some 470 florists sympathetic to the previous directors had signed a petition supporting their reinstatement. Mr Parry said his rivals were

"hiding behind the law because they know that a postal ballot of the entire membership could see them removed." He added: "That's not leadership, it's cowardice and the sooner they are removed from office the better."

The six-strong replacement board was elected at the mass meeting of florists following a rebellion over proposals to raise the level of subscription charges for members. The organisation is a mutually owned company made up of 2,600 independently owned and run florists. Though nearly 1,000 florists voted at the meeting the old board asked for a postal ballot of the entire membership, a move they said was in line with Interflora's articles of association.

The opposing camps have both now received legal advice which they claimed supported their case.

Geoff Hughes, the Bristol florist appointed as acting chairman, said: "I believe the EGM was probably the largest democratic vote of members. I am now asking members to accept the views of the majority."

Foreign Exchange Rates

Country	Spot	1 month	3 months	D-Mark	Spot	1 month	3 months
US	1.5345	10.8	28.26	1000	1374	30.29	85.4
Canada	2.045	10.8	28.26	1000	1374	30.29	85.4
France	2.7677	79.73	241.21	1000	1374	30.29	85.4
Germany	9.1399	220.234	736.706	1000	1374	30.29	85.4
Italy	2.2392	20.49	40.26	1000	1374	30.29	85.4
Japan	165.52	138.104	310.304	1000	1374	30.29	85.4
ECU	1.485	26.26	66.43	1000	1374	30.29	85.4
Switzerland	37.24	8.36	20.49	1000	1374	30.29	85.4
Netherlands	10.538	220.234	736.706	1000	1374	30.29	85.4
Denmark	3.107	86.82	271.259	1000	1374	30.29	85.4
Norway	1.178	10.8	28.26	1000	1374	30.29	85.4
Spain	2.331	21.11	60.501	1000	1374	30.29	85.4
Sweden	12.382	240.49	726.78	1000	1374	30.29	85.4
Australia	2.305	97.30	291.278	1000	1374	30.29	85.4
South Africa	2.0837	30.26	80.20	1000	1374	30.29	85.4
Hong Kong	32.64	80.36	244.37	1000	1374	30.29	85.4
Malaysia	4.0904	0.0	0.0	1000	1374	30.29	85.4
New Zealand	2.3533	2.5	2.4	1000	1374	30.29	85.4
India	63.54	0.0	0.0	1000	1374	30.29	85.4
Singapore	2.3396	0.0	0.0	1000	1374	30.29	85.4

Other Spot Rates

Country	Spot	Dollar	Country	Spot	Dollar
Argentina	16347	0.0088	Nigeria	338.78	85.000
Australia	164801	0.0088	Oman	0.0255	0.0050
Brazil	12980	0.0097	Pakistan	65.077	40.297
China	15379	0.0097	Philippines	65.077	40.297
ECU	1.485	0.0097	Poland	17.584	70.050
France	9.1399	0.0097	Romania	1.485	0.0097
Germany	9.1399	0.0097	Saudi Arabia	3.75	44.76
Greece	34.777	0.0097	South Africa	2.0837	31.33
India	63.54	0.0097	Taiwan	45.000	27.800
Indonesia	164801	0.0097	UK	1.0000	0.0050

Forward rates quoted high to low are at a discount; subtract from spot rate
Rate quoted low to high are at a premium; add to spot rate
*Dollar rates quoted as bid/offer
For the latest foreign exchange rates call 0801 123 3333.
Calls cost 50p per minute.

Interest Rates

UK	Germany	France	Japan	US
Base	Discount	Discount	Discount	Discount
3 months	3.5%	3.5%	3.5%	3.5%
6 months	3.5%	3.5%	3.5%	3.5%
1 year	3.5%	3.5%	3.5%	3.5%

Bond Yields

Country	7 yr	10 yr	15 yr	20 yr	30 yr
UK	7.0%	7.1%	7.2%	7.3%	7.4%
US	6.5%	6.7%	6.8%	6.9%	7.0%
Germany	5.5%	5.7%	5.8%	5.9%	6.0%
France	4.5%	4.7%	4.8%	4.9%	5.0%

Money Market Rates

Overnight	7 Day	1 Month	3 Months	6 Months	1 Year
Interbank	6.5%	6.5%	6.5%	6.5%	6.5%
Bank Authority	6.5%	6.5%	6.5%	6.5%	6.5%
Discount Market	6.5%	6.5%	6.5%	6.5%	6.5%
Treasury (Bill)	6.5%	6.5%	6.5%	6.5%	6.5%
ECU Linked	6.5%	6.5%	6.5%	6.5%	6.5%

Tourist Rates

Country	Rate	Country	Rate
Australia	2.331	France	9.1399
Canada	2.045	Germany	9.1399
Denmark	3.107	Italy	2.2392
ECU	1.485	Japan	165.52
France	9.1399	Netherlands	10.538
Germany	9.1399	Spain	2.331
Italy	2.2392	Sweden	12.382
Japan	165.52	Switzerland	37.24
Netherlands	10.538	Taiwan	45.000
Spain	2.331	UK	1.0000
Sweden	12.382	US	1.5345
Switzerland	37.24		
Taiwan	45.000		
UK	1.0000		
US	1.5345		

Liffe Financial Futures

Contract	Settlement	High/Low	Open
Long Gas	111.36	111.36	111.36
Short Gas	111.36	111.36	111.36
Long Oil	12.45	12.45	12.45
Short Oil	12.45	12.45	12.45
Long Euro	1.485	1.485	1.485
Short Euro	1.485	1.485	1.485

Liffe FTSE 100 Index Option

Series	Settlement	High/Low	Open
Long	14325	14325	14325
Short	14325	14325	14325
Long	14325	14325	14325
Short	14325	14325	14325

Energy

Contract	Settlement	High/Low	Open
Long Crude	17.00	17.00	17.00
Short Crude	17.00	17.00	17.00
Long Gas	111.36	111.36	111.36
Short Gas	111.36	111.36	111.36

Commodity Indices

Index	Value	Index	Value
Gold	380.00	Oil	12.45
Silver	16.00	Gas	111.36
Copper	1.50	ECU	1.485
Platinum	1.50	Yen	165.52

Industrial Metals

Contract	Settlement	High/Low	Open
Long Al	1.485	1.485	1.485
Short Al	1.485	1.485	1.485
Long Cu	1.485	1.485	1.485
Short Cu	1.485	1.485	1.485

Precious Metals

Contract	Settlement	High/Low	Open
Long Au	1.485	1.485	1.485
Short Au	1.485	1.485	1.485
Long Ag	1.485	1.485	1.485
Short Ag	1.485	1.485	1.485

Agricultural

Contract	Settlement	High/Low	Open
Long Wt	1.485	1.485	1.485
Short Wt	1.485	1.485	1.485
Long C	1.485	1.485	1.485
Short C	1.485	1.485	1.485

Other Softs

Contract	Settlement	High/Low	Open
Long S	1.485	1.485	1.485
Short S	1.485	1.485	1.485
Long T	1.485	1.485	1.485
Short T	1.485	1.485	1.485

Latest Unit Trust Prices

Unit	Price	Unit	Price
ABN AMRO	1.5345	ABN AMRO	1.5345
ABN AMRO	1.5345	ABN AMRO	1.5345
ABN AMRO	1.5345	ABN AMRO	1.5345
ABN AMRO	1.5345	ABN AMRO	1.5345

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Unit	Price	Unit	Price
ABN AMRO	1.5345	ABN AMRO	1.5345
ABN AMRO	1.5345	ABN AMRO	1.5345
ABN AMRO	1.5345	ABN AMRO	1.5345
ABN AMRO	1.5345	ABN AMRO	1.5345

Unit	Price	Unit	Price
ABN AMRO	1.5345	ABN AMRO	1.5345
ABN AMRO	1.5345	ABN AMRO	1.5345
ABN AMRO	1.5345	ABN AMRO	1.5345
ABN AMRO	1.5345	ABN AMRO	1.5345

Athletics

MIKE ROWBOTTOM

Arnold said that the National Lottery funds awarded to British Athletics this week through the World Class Performance programme would be administered by a subsidiary of the British Athletic Federation, namely Performance Athletes Services. Dave Moorcroft, the former world 5,000m record holder, will be chairman, and the board will include the former Olympic pentathlon champion, Mary Peters.

er, would doubtless not mind if the heavens opened again on Sunday. The German, who demonstrated his incomparable skills in the wet here last year, maintains that in normal conditions he would be content with third place. "To be honest, I would prefer to cancel Spain because it is not a circuit which suits our car," he said.

Consistency has been Schumacher's bedrock this year and, with developments due to improve the Ferrari from Canada onwards, his challenge for the title is a very real threat to the Williams pair.

Seve Ballesteros: 'I have made it clear I shall pick the best players for the Ryder Cup team' Photograph: Allsport

those already and will be needed to counterbalance the four or five new players the captain expects to be on the team.

"I do not worry about that at all," Ballesteros said. "The new players are enthusiastic and energetic. The first time you don't worry about how important it is to win points like you do the more you play."

Ballesteros, Faldo, Langer, Woosnam and Olazabari are all previous winners of the PGA, while Els finished second shortly before winning the US Open in 1994. The South African is unbeaten in three years in the World Match Play on the West Course here.

Theresa Tiger Woods is unlikely to put in an appearance later this year. Els would relish taking him on. "It would be a hell of a challenge," he said.

The number of dollars (£26.25m) that Atlanta Braves' Tom Glavine will receive over five years after he signed a contract extension that makes him baseball's highest-paid pitcher. Glavine, 31, is in the final year of a contract that pays him \$5m a year.

© Camelot Group plc. Players must be 18 or over. Breakage (prizes rounded down to nearest £1): £10.802

EVENTS: WTA World Doubles Cup (Edinburgh).

In the event of any discrepancy in the above, the data contained in Camelot central computer system shall prevail

England United

Some familiar faces will be on show at Old Trafford tomorrow, page 28

sport

To reign in Spain?

Michael Schumacher leads the grand prix circus into Barcelona, page 29

TEXACO TROPHY: England open with emphatic victory as new boy's swaggering sixes put Taylor's tourists in their place

Hollioake's exotic display slays Aussies

DEREK PRINGLE

reports from Headingley
Australia 170-8
England 175-4
England win by six wickets

Every so often, a relatively unknown cricketer will respond to a high-pressure occasion that belies his experience at international level. Normally such players come from exotic places like Pakistan and Sri Lanka and not from Wandsworth where Adam Hollioake, the Surrey captain now hails.

Perhaps no one told him, but Hollioake, in only his third one-day international, bowled like an old hand and batted like a veteran, scoring an unbeaten 66, as he and Graham Thorpe, his Surrey team-mate, took England to the early victory they so craved against Mark Taylor's swaggering Aussies.

Hollioake even finished the game off with a six, his second of the match, as he pulled Jason Gillespie into the Western Terrace. It was a deliciously arrogant touch, not a million miles out of keeping with his upbringing in Melbourne, and one sure to be admired – if only secretly – by his opponents.

Before this match, Mike Atherton had warned that none of his players had an inferiority complex, even going so far as to cite the Hollioake brothers. On all the evidence so far, and at least until younger brother, Ben, can have a crack at it, it is an assessment that rings half true.

With Thorpe having just run out his partner Graham Lloyd for ought to put England on 40 for 4, Hollioake arrived at the crease with an Aussie bowling attack bristling after their early successes. He began shakily especially against Shane Warne and a fired-up Gillespie whose single wicket was not just reward for a fine spell of bowling.

Warne, never an easy proposition when your eye is in, let alone when you first come in and are forced to peer through the Headingley murk, looked as if he might dismiss him any ball. Sensing an impending breach, Thorpe, once he had recovered from running out the coach's son, decided to take the leg-spinner himself. It was a move that not only allowed Hollioake to find his feet but one which may force

Warne, who took 0 for 46, to rethink his strategy to left-handers. Thorpe dabbled, drove and boomed him with impunity.

Once established the pair exposed Australia's risky tactic of not including a fifth specialist bowler. They have long pick n' mixed their bowling, but on surfaces that help performers with pedigree, the five overs filled by Mark Waugh's occasional off-spin and Greg Blewett's wayward seam cost 28 runs and were the mongrels that lost them the show.

But if the man of the match, Hollioake, and Thorpe, unbeaten with 75, provided the glamour, it was the bowlers, led by Darren Gough and Robert Croft, along with a brilliant display in the field, who set up the victory with a spirited performance, restricting Australia to 170, after Atherton won the toss.



Hollioake on his way to an unbeaten 66 yesterday

In the past Gough has tended to get over-excited in front of his home crowd and attempt the fantastic. Not this time and although there is not an English heart that beats with more purpose than Australia are involved, Gough reigned in his excesses and simply bowled straight and fast.

The dividends were almost immediate as Taylor, having already been beaten outside his off stump in the Yorkshireman's first over, edged to the keeper in his second. Indeed his new ball spell, which read 5-2-6-1, was exemplary, and it is not often that a batsman of Mark Waugh's standing takes 20 balls to open his account.

Naturally the conditions

played their part. A Headingley pitch in May, coupled with heavy cloud above, rarely translates into run spaces.

After a few fresh swishes, the Waugh, so often the twin pillars around which the recent Australian batting has been built, decided to play safe. For a moment it looked as if they could once again construct a defensible fortress, but Mark played all round a straight one in Dean Headley's first over and was bowled.

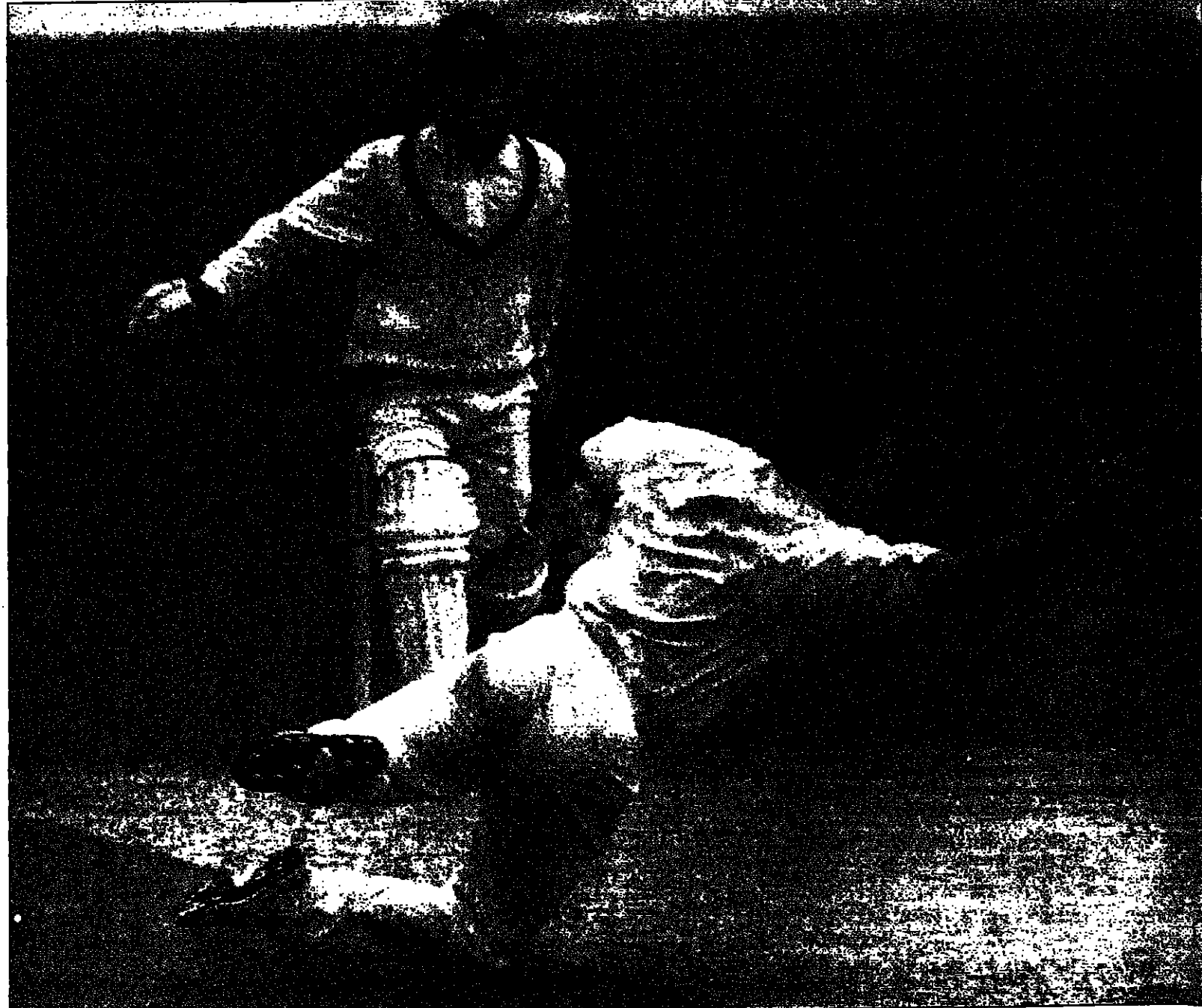
An over later, Steve departed lbw to Mark Ealham for 19. If it was not the order in which the twins first announced themselves to the world almost 32 years ago, their departure brought roars of rapture from the capacity crowd of 16,400. It was the first time Steve had ever been dismissed at Headingley and Ealham's delivery to get rid of him, fully deserved the accolade, as it cut sharply away off the pitch.

At 43 for 3, urgent repair was needed if Australia were to force England to even break sweat when they batted. Not surprisingly it came from Michael Bevan, a man who must have faced many a similar situation on this pitch with Yorkshire.

Using his own as well as Greg Blewett's speed between the wickets the pair added 63 runs, until Bevan, having been tied down by a masterful spell from Croft, tried to steal one liberty too many and was run out by Thorpe's direct hit from midwicket.

Croft's role in the middle of the innings cannot be understated and Atherton used him – much as Australia have used Warne in the past – to stifle the life out of their opponents. Which is precisely what he did, conceding just 16 runs from his 10 overs, in a near binary spell of bowling, which apart from a two and a wide that went for three runs, contained just dot balls and singles.

With Australia unable to get any kind of momentum going after Blewett dragged on a wideish one from Gough, it was a question of the tail making sure the remaining overs were used up. They did, but the runs scored were not enough to inconvenience England, once Thorpe and Hollioake got the bit between their teeth.



Return to sender: Michael Slater finds himself caught and bowled by England's Mark Ealham at Headingley yesterday Photograph: David Ashdown

Headingley scoreboard

England won toss	ENGLAND	AUSTRALIA
M A Taylor c Stewart b Gough 7 (12 min, 15 balls, 1 four)	N V Wright lbw b McGrath 12 (21 min, 28 balls, 4 four)	M A Taylor c Stewart b Gough 7 (12 min, 15 balls, 1 four)
M E Waugh b Hoadley 11 (57 min, 37 balls, 3 four)	A J Hoggart lbw b McGrath 12 (21 min, 28 balls, 4 four)	M E Waugh b Hoadley 11 (57 min, 37 balls, 3 four)
S R Waugh lbw b Ealham 19 (52 min, 42 balls, 2 four)	A J Hoggart lbw b McGrath 12 (21 min, 28 balls, 4 four)	S R Waugh lbw b Ealham 19 (52 min, 42 balls, 2 four)
M G Brown run out (Thorpe, TV not out) 30 (70 min, 56 balls, 3 four)	G P Thorpe not out 19 (149 min, 108 balls, 7 four)	M G Brown run out (Thorpe, TV not out) 30 (70 min, 56 balls, 3 four)
G S Blewett b Gough 28 (64 min, 46 balls, 2 four)	A J Hollioake not out 66 (108 min, 84 balls, 5 four; 2 six)	G S Blewett b Gough 28 (64 min, 46 balls, 2 four)
I A J Slater c and b Ealham 17 (59 min, 31 balls, 2 four)	I A J Slater c and b Ealham 17 (59 min, 31 balls, 2 four)	I A J Slater c and b Ealham 17 (59 min, 31 balls, 2 four)
N A Hoggart b Hoggart 17 (24 min, 33 balls)	N A Hoggart b Hoggart 17 (24 min, 33 balls)	N A Hoggart b Hoggart 17 (24 min, 33 balls)
S K Warne c Thorpe b Hollioake 4 (22 min, 16 balls)	S K Warne c Thorpe b Hollioake 4 (22 min, 16 balls)	S K Warne c Thorpe b Hollioake 4 (22 min, 16 balls)
M S Kapoor not out 17 (25 min, 18 balls, 2 four)	M S Kapoor not out 17 (25 min, 18 balls, 2 four)	M S Kapoor not out 17 (25 min, 18 balls, 2 four)
J N Gillespie not out 3 (16 min, 5 balls)	J N Gillespie not out 3 (16 min, 5 balls)	J N Gillespie not out 3 (16 min, 5 balls)
Extras (lb 7, w 9, nb 1) 17	Extras (lb 7, w 9, nb 1) 17	Extras (lb 7, w 9, nb 1) 17
Total (for 6, 194 min, 50 overs) 170	Total (for 6, 194 min, 50 overs) 170	Total (for 6, 194 min, 50 overs) 170
Fall: 1-8 (Thorpe 2-39 (M Waugh 3-43 (S Waugh 4-108 (Blewett 5-106 (Blewett 6-140 (Gough 7-140 (Slater 8-157 (Warne) 9-157 (Warne)	Fall: 1-8 (Thorpe 2-39 (M Waugh 3-43 (S Waugh 4-108 (Blewett 5-106 (Blewett 6-140 (Gough 7-140 (Slater 8-157 (Warne) 9-157 (Warne)	Fall: 1-8 (Thorpe 2-39 (M Waugh 3-43 (S Waugh 4-108 (Blewett 5-106 (Blewett 6-140 (Gough 7-140 (Slater 8-157 (Warne) 9-157 (Warne)
Did not bat: G D McGrath	Did not bat: G D McGrath	Did not bat: G D McGrath
Bowling: Devereaux 8-1-35-0 (w) (7-1-21-0, 2-0-14-0); Gough 10-0-53-2 (5-2-6-1, 3-0-15-1, 2-0-20-1); Ealham 8-0-36-1 (1-0-15-1, 2-0-14-0, 2-0-14-0, 3-0-15-1); Hoggart 5-0-22-4 (w) (Hollioake 5-0-22-4 (w) (one spell each)	Bowling: Devereaux 8-1-35-0 (w) (7-1-21-0, 2-0-14-0); Gough 10-0-53-2 (5-2-6-1, 3-0-15-1, 2-0-20-1); Ealham 8-0-36-1 (1-0-15-1, 2-0-14-0, 2-0-14-0, 3-0-15-1); Hoggart 5-0-22-4 (w) (Hollioake 5-0-22-4 (w) (one spell each)	Bowling: Devereaux 8-1-35-0 (w) (7-1-21-0, 2-0-14-0); Gough 10-0-53-2 (5-2-6-1, 3-0-15-1, 2-0-20-1); Ealham 8-0-36-1 (1-0-15-1, 2-0-14-0, 2-0-14-0, 3-0-15-1); Hoggart 5-0-22-4 (w) (Hollioake 5-0-22-4 (w) (one spell each)
Extras: 10-0-11-0 (1-0-11-0)	Extras: 10-0-11-0 (1-0-11-0)	Extras: 10-0-11-0 (1-0-11-0)
Progress: 50-35 min, 115 balls, 100-121 min, 177 balls, 120-159 min, 229 balls	Progress: 50-35 min, 115 balls, 100-121 min, 177 balls, 120-159 min, 229 balls	Progress: 50-35 min, 115 balls, 100-121 min, 177 balls, 120-159 min, 229 balls
Thorpe's 50-103 min, 78 balls, 5 four	Thorpe's 50-103 min, 78 balls, 5 four	Thorpe's 50-103 min, 78 balls, 5 four
Hollioake's 50-89 min, 65 balls, 4 four, 2 six	Hollioake's 50-89 min, 65 balls, 4 four, 2 six	Hollioake's 50-89 min, 65 balls, 4 four, 2 six
England won by six wickets	England won by six wickets	England won by six wickets
Man of the Match: A J Hollioake (England)	Man of the Match: A J Hollioake (England)	Man of the Match: A J Hollioake (England)
Umpires: J P Agnew	Umpires: J P Agnew	Umpires: J P Agnew
Referee: J C Balderson	Referee: J C Balderson	Referee: J C Balderson
Match Referee: R S Madgala	Match Referee: R S Madgala	Match Referee: R S Madgala

Warne put in the shade

JON CULLEY

If a prerequisite of English success against the Australians this summer is to wound Shane Warne at the earliest opportunity then a major psychological blow may have been struck at Headingley yesterday.

To draw first blood in an Ashes summer would itself have brought satisfaction enough for Mike Atherton's resplendent side. To have done so and seen off the legendary leg-spinner meant double the pleasure for a joyful England dressing-room.

The match-winning partnership between Graham Thorpe and Adam Hollioake left Warne to reflect on the rare experience of an attempt to weave his particular magic that ended without reward. Even his customary economy deserted him as the two Surrey batsmen plundered

46 runs from his 10 overs. The experience of the left-handed Thorpe will be a key weapon against Warne this summer but the success of Hollioake, who took the man of the match award, was especially encouraging given the 25-year-old Surrey captain's scanty experience of international cricket.

"I started a bit nervously but Thorpe gave me confidence," Hollioake said. "It helped to have him at the other end because we have a good understanding with running between the wickets."

Not even the distraction of suddenly spotting his parents, John and Daria, on the giant television replay screen failed to put Hollioake off his stroke. The couple had flown from their home in Perth, Australia, to watch their son in action.

"I had not had chance to see them before the game started and it was only through my

brother, Ben, that I knew they had turned up safely. I was just watching a shot I had played when I saw them on the screen."

Atherton said: "I thought we played the first half of the game superbly, bowling the ball in the right place and backing it up with some aggressive fielding. Then Adam and Graham finished the job. There was not a lot of confidence in us around the country before this game and it is up to us now to get everyone behind us."

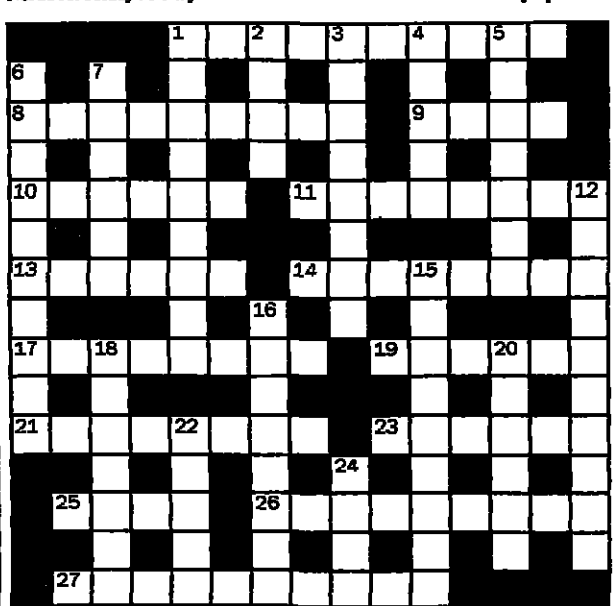
Mark Taylor, the Australia captain, conceded that Warne was "rusty", in common with the rest of his side. "England simply batted, bowled and fielded better and with more passion than we did," he said. "We are still finding our feet in this country and the conditions are a little cool, but I don't like to make excuses. We have a lot of things to put right."

THE INDEPENDENT CROSSWORD

No. 3306, Friday 23 May

By Sports

Thursday's solution



Across
1 Marine signal of acknowledgment given by flag? (5, 5)
8 Priest breaking revered object took in copy (9)
9 Car going to Germany (4)
10 Form of simple life (6)
11 Great adulation adroitly handled (8)
13 Truce's arranged by US general (6)
14 One note on old variety of grass? (8)
17 Beating bridge champion? (8)
19 Assist in resolving circulation problem (6)
21 Means of fixing numbers of tennis games by men? (8)
23 Resort beside border in Italy? (6)

Down
2 A rejection for Parisian writer, very prolific one (4)
26 Floodlights having failed, presumably (5-4)
27 Clothworkers' livery (3-7)

HENRY BLOFIELD

England's performance in the field after they had put Australia into bat was a great indication of the thinking and the planning which has been going on behind the scenes to make this a new and more focused England side.

With nobody was this more apparent than the captain. For some time now Mike Atherton has been under constant scrutiny, if not attack, and one felt that something soon had to give.

He himself has been scornful about suggestions that the captain's body language has been negative and damaging to England's chances. He does not feel that it matters and his natural cussedness, perhaps, has made him unwilling to change.

But on the evidence of the first part of this opening en-

counter with Australia, someone has at last got through to him.

Gone was that old shuffling walk, head down and shoulders hunched. He strode out and positioned himself at mid-off – so often he tucks himself anonymously away in the slips or the gully and lets the game take its course.

Now, it was all so different. Atherton frequently spoke to his bowlers and he listened to the advice of the wicketkeeper Alec Stewart. There was about him an air of decisive authority one has not seen before.

He seemed to be enjoying himself and in spite of all his protestations to the contrary, it is not often that one has been able to write that about him. He seemed to inspire his colleagues, too, for they laid on as good an England fielding display as we have seen for a long time.

No one was nippier and more athletic than Atherton himself. He held a brilliant catch at short extra cover when Michael Slater unleashed a powerful off-drive against Mark Ealham.

It may be that one of the main reasons for the captain's metamorphosis is that he now has confidence in those who are running English cricket. The three selectors – David Graveney, Graham Gooch and Mike Gatting – are almost his contemporaries and Atherton may feel it much easier to take their advice than he did when the much older Ray Illingworth was in charge.

Of course, one limited over international when England were bowling in helpful conditions, may not be conclusive evidence that Atherton has had a decisive change of mind, but the signs were most encouraging.

Atherton's new attitude

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Inter netted by lap-top wizard

NICK DUXBURY

German thoroughness is legendary and even football teams from unemployment blackspots on the Ruhr are not beyond a bit of *vorsprung durch technik* when it comes to penalties.

Schalke 04, from the grimy city of Gelsenkirchen, where one in three families relies on benefits, turned over well-heeled Internazionale to capture one of the three prizes in European football with the help of a little electronic wizardry.

Huub Stevens, the Schalke coach, prepared for a penalty shoot-out to decide the Uefa Cup final by creating a data bank of the Inter players' spot-kick styles on a lap-top computer.

Stevens' homework paid off when the two-legged final ended 1-1 after extra time and 81,000 spectators in Milan's sumptuous San Siro stadium held their breath for the showdown. The *Serie A* aristocrats, who included England's Paul Ince, were expected to stroke home their penalties, but missed three out of four, while the boys from the *Bundesliga* were spot on every time.

Jens Lehmann, who saved Inter's crucial first penalty by Ivan Zamorano, said: "I had checked with the lap-top and whenever Zamorano took a long run up he always kicked it to the [goalkeeper's] left. And that's exactly what he did."

The Schalke captain, Olaf Thon, added: "Huub Stevens had all the Inter players and

their preferred corners stored in the computer. Inter's goalie Pagliuca also helped us by deciding a bit too early which way he was going to dive."

The progress through technology approach, which is used in tennis by Thomas Muster, is a natural progression from 20 years ago when the Ipswich Town keeper Paul Cooper was reported to have made full use of the new-fangled video to tape penalty-takers and went on to save a record eight out of 10 during the course of a season.

As Schalke celebrate their first European trophy in their 93-year history and their first honour since winning the German Cup in 1972, spot-kickers playing Teutonic teams are left with one thought – Germans have ways of making you miss.

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